

*Always Good,*

# ALWAYS GROWING

ANNUAL REPORT 2024

For personal use only





## CONTENTS

- 01** Who We Are
- 02** Where We Operate
- 04** Our Integrated Operating Model
- 05** Key Financial Statistics
- 06** Our Strategy
- 08** Chair's Report
- 10** Chief Executive Officer and Managing Director's Report
- 12** Operational Highlights
- 16** Sustainability Report
- 42** Board of Directors
- 44** Senior Management
- 46** Corporate Governance Statement
- 53** Directors' Report
- 94** Consolidated Entity Disclosure Statement
- 95** Lead Auditor's Independence Declaration
- 96** Consolidated Income Statement
- 97** Consolidated Statement of Comprehensive Income
- 98** Consolidated Statement of Financial Position
- 99** Consolidated statement of Changes in Equity
- 100** Consolidated Statement of Cash Flows
- 101** Notes to the Consolidated Financial Statements
- 143** Directors' Declaration
- 144** Independent Auditor's Report
- 150** Shareholder Information
- 152** Corporate Directory

### Acknowledgement of Country

In the spirit of reconciliation, Inghams acknowledges the Traditional Owners of Country on the lands on which we work, and we pay our respects to Elders past and present. Aboriginal and Torres Strait Islander peoples have nurtured the waters, the skies and lands for hundreds of thousands of years and will continue to do so as their culture, traditions and customs will live on for time immemorial.

Inghams also acknowledges and respects nga iwi Māori as the Tangata Whenua of Aotearoa New Zealand and is committed to upholding the principles of the Treaty of Waitangi.



# WHO WE ARE

**INGHAMS IS THE LARGEST INTEGRATED POULTRY PRODUCER ACROSS AUSTRALIA AND NEW ZEALAND, AND ONE OF THE LARGEST PRODUCERS OF STOCKFEED IN AUSTRALIA.**

We supply chicken, turkey and plant-based protein products to retail customers, quick service restaurants, foodservice distributors, wholesale and export channels. We have approximately 8,000 people who work together to support each other, our animals, the planet, and our customers.

Our Purpose is to provide deliciously good food in the best way, underpinned by our focus on the best food quality and customer service. Our sustainability and animal welfare leadership in poultry is demonstrated by being the first poultry producer across Australia and New Zealand to have both 100% RSPCA Approved and SPCA Certified certification at our broiler\* farms.

## ABOUT THIS REPORT

### Notes to financials

All financials are in Australian dollars, unless otherwise stated. The financial figures provided in the front section of the Annual Report, pages 01 to 51, have been rounded, and therefore some totals and percentages may not add up exactly. The underlying results exclude the profit or loss on sale of assets, business transformation costs, impairments and restructuring charges. Further, underlying NPAT excludes tax on the above-mentioned exclusions.

### Our reporting suite

#### Online Annual Report

This report can be viewed online at [www.ingham.com.au](http://www.ingham.com.au). Help us to reduce our impact on the environment and email [web.queries@computershare.com.au](mailto:web.queries@computershare.com.au) to request an electronic copy of the Annual Report in future.

\* Broiler farms nurture our animals that are bred for meat production.

### The Sustainability Report

The Sustainability Report outlines Inghams' approach, strategies and performance addressing material sustainability risks and opportunities. It is prepared with reference to the Global Reporting Initiative, International Sustainability Standards Board and the draft Australian Sustainability Reporting Standards. Bureau Veritas provides limited assurance on key environmental key performance indicators, and the information subject to assurance is identified in the report.

A consolidated sustainability data pack is available at the Company website ([www.ingham.com.au/our-purpose/sustainability](http://www.ingham.com.au/our-purpose/sustainability)), and includes the sustainability assurance statement.

### Modern Slavery Statement

Inghams' Modern Slavery Statement is available at [www.ingham.com.au](http://www.ingham.com.au).

### Contacts

Annual Report and investor:  
[investorrelations@ingham.com.au](mailto:investorrelations@ingham.com.au)

Sustainability Report:  
[sustainability@ingham.com.au](mailto:sustainability@ingham.com.au)



# WHERE WE OPERATE

**OUR GEOGRAPHICALLY DIVERSIFIED NETWORK ACROSS AUSTRALIA AND NEW ZEALAND** IS DESIGNED TO OPTIMISE NATIONAL SUPPLY CHAINS, MINIMISE AGRICULTURAL AND BIOSECURITY RISKS, AND PROVIDE FLEXIBILITY AND RESILIENCE TO DELIVER CONTINUITY OF SUPPLY TO CUSTOMERS.

For personal use only

## AUSTRALIA

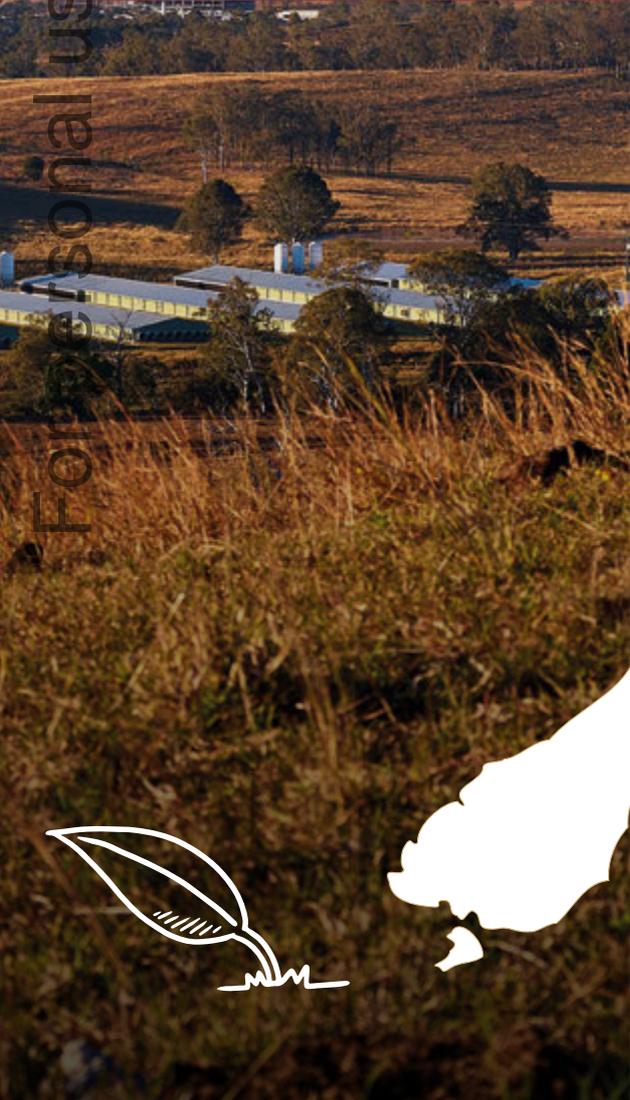


## OUR PROUD HISTORY

Inghams was founded as a family business in 1918 by Walter Ingham in Liverpool, New South Wales. In 1953, Walter's sons, Bob and Jack Ingham, expanded the business across Australia, and started supplying products to major retail and quick service restaurants in the 1960s, followed by expansion into turkey, stockfeed and value enhanced products. In 1990, we started operating in New Zealand.

The Company was acquired by TPG Capital in 2013 and listed on the Australian Securities Exchange in 2016. TPG Capital sold their last remaining shareholding on 26 August 2020. During the past decade, we have invested approximately \$850 million in capital expenditure to support our state-of-the-art facilities and invested approximately \$780 million in leased assets<sup>1</sup> to meet future growth and firmly establish Inghams as an industry leader in Australia and New Zealand poultry.

1. Leased assets referenced relate to property, plant and equipment.



### NEW ZEALAND



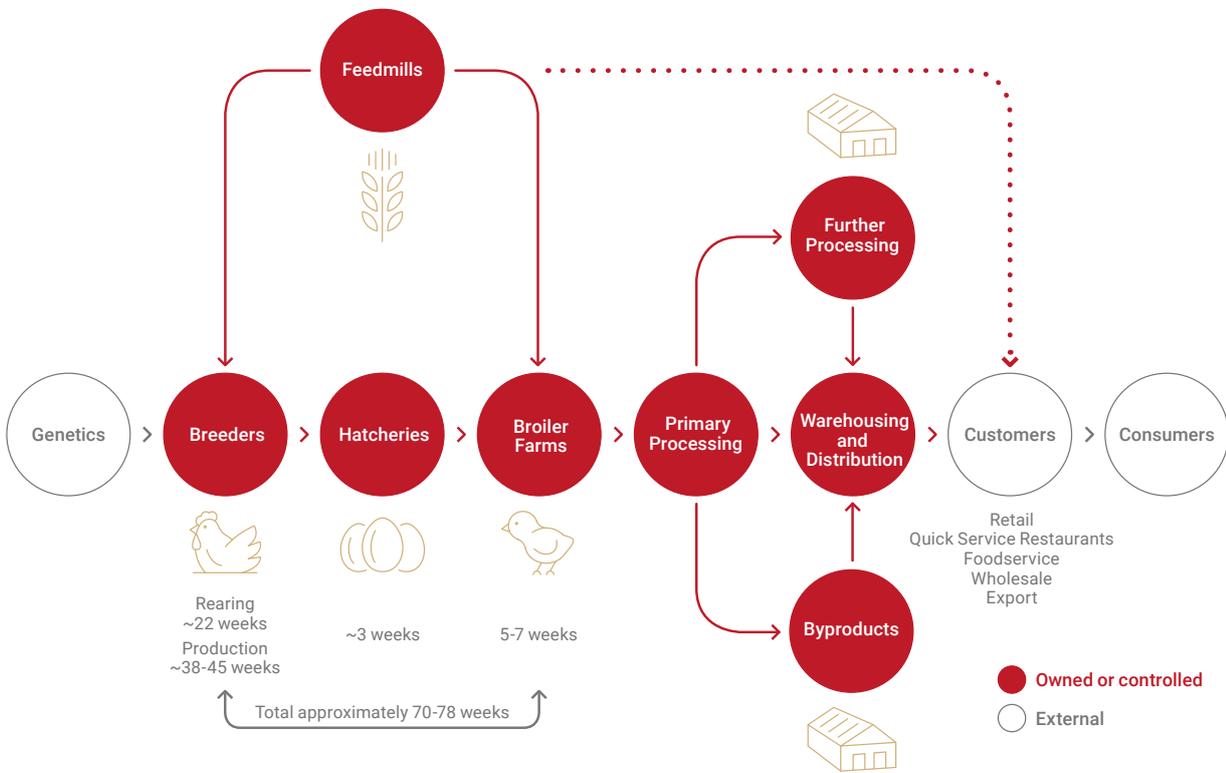
**THE ACQUISITION OF BOSTOCK BROTHERS IN NEW ZEALAND**  
ENHANCES OUR MARKET POSITION AND GROWTH POTENTIAL

- New Zealand's only organic chicken producer.
- Adds farming properties and a second primary processing facility to our network.

# OUR INTEGRATED OPERATING MODEL

**NETWORK BALANCE AND OPERATIONAL EXCELLENCE** ARE KEY TO CREATING VALUE FOR OUR CUSTOMERS AND SHAREHOLDERS.

For personal use only



Inghams' vertically integrated operating model and geographically diversified network helps to reduce the Company's biosecurity risks and leverages our national network to meet our customers' needs both locally and nationally.

The investment in the continued growth of our network includes:

- Acquiring Bromley Park Hatcheries and organic chicken producer Bostock Brothers in New Zealand, and our previously leased primary processing facility in Bolivar, South Australia;
- Investing in equipment to improve productivity at our primary processing facilities in Queensland, Victoria, South Australia and Tasmania; and
- Opening a new distribution centre in Western Australia.

# KEY FINANCIAL STATISTICS



**2.8%**

GROUP CORE POULTRY  
VOLUME GROWTH



**20.0** CPS

DIVIDENDS PER SHARE  
(FULLY FRANKED)



**\$101.5** M

NET PROFIT AFTER TAX



**\$471.1** M

UNDERLYING EBITDA



**1.5** X

LEVERAGE RATIO  
(UNDERLYING PRE AASB 16)



**21.3%**

RETURN ON INVESTED  
CAPITAL (UNDERLYING  
PRE AASB 16)

For personal use only

# OUR STRATEGY



For personal use only

## OUR AMBITION IS TO BE OUR CUSTOMERS' AND CONSUMERS' FIRST CHOICE FOR POULTRY ACROSS AUSTRALIA AND NEW ZEALAND.

**Our Purpose is to provide deliciously good food in the best way. This is defined both by the products that we produce, and by the great outcomes we strive to create for our customers, consumers and other stakeholders.**

We will achieve our Purpose by running a sustainable, high performing business, with an emphasis on care for our animals and people.

Our strategy is focused on growth and value creation by:

- Leveraging consumer insights and established trends to improve the value of our product mix over time, concentrating on what consumers value and would pay more for;
- Cultivating strong supply partnerships with customers, through which we bring desirable propositions to market, and grow the value of the category together;
- Maintaining a diversified and balanced portfolio across all major channels and market segments; and
- Continuously improving and enhancing our operations to improve capability and efficiency.

This is enabled by:

- 1 A fully integrated and geographically diverse operational network across Australia and New Zealand;
- 2 Production and supply chain capabilities that enable us to produce and distribute a wide variety of products, and improve the value of our mix;
- 3 Insight and innovation capabilities that enable us to identify and execute against long-term market growth trends;
- 4 Deep customer relationships;
- 5 World-class technical expertise and know-how at all stages of the value chain; and
- 6 A secure and safe food supply, backed by rigorous animal welfare standards and a long-term commitment to improving the sustainability of our operations.





For personal use only

## OUR STRATEGY FRAMEWORK

### PURPOSE

**DELICIOUSLY GOOD FOOD  
IN THE BEST WAY**

### AMBITION

**TO BE AUSTRALIA AND NEW ZEALAND'S  
FIRST CHOICE FOR POULTRY**

UNDERPINNED BY RUNNING  
A SUSTAINABLE, HIGH-PERFORMING  
BUSINESS ENABLED BY GREAT  
PARTNERSHIPS WITH OUR PEOPLE,  
OUR CUSTOMERS AND OUR SUPPLIERS  
TO DELIVER CONSISTENT AND  
RELIABLE RETURNS TO OUR  
STAKEHOLDERS

### STRATEGIC CAPABILITIES



**A FULLY INTEGRATED  
OPERATIONAL NETWORK  
THAT SUPPLIES AT SCALE  
AND WITH AGILITY TO  
LONG-STANDING AND  
NEW CUSTOMERS**



**OPERATIONAL  
EXCELLENCE, CONTINUOUS  
IMPROVEMENT AND  
INNOVATION IN PRODUCTS  
THAT POSITION US TO  
RETURN SUPERIOR  
MARGINS, PROMOTED  
THROUGH OUR TRUSTED  
BRAND**



**DEEP TECHNICAL  
EXPERIENCE ACROSS OUR  
SUPPLY CHAIN THAT  
ENABLES US TO UNLOCK  
EFFICIENCIES AND CREATE  
COMPETITIVE ADVANTAGE  
TO DELIVER WHAT  
CUSTOMERS WANT, AND  
ADD VALUE TO  
SHAREHOLDERS**



**LEADERS IN  
SUSTAINABILITY  
AND SETTING  
HIGHER STANDARDS IN  
SAFETY, ANIMAL WELFARE,  
AND INCLUSIVE AND  
CONSTRUCTIVE CULTURE,  
QUALITY AND  
SUSTAINABILITY**

# CHAIR'S REPORT



For personal use only

**Welcome to the Inghams Annual Report for the 2024 Financial Year.**

## Record financial results

I am pleased to report the Company has delivered record underlying financial results, underpinned by execution of our strategy and delivery on key strategic initiatives.

FY24 saw the Company achieve strong year-on-year growth across the key earnings, profit and cash flow metrics. These results were achieved through growth in volumes, margin, and a solid operating performance across farming and production, along with strong cost control.

## Strategy underpinning our success

Our FY24 results have been made possible by our people, their strong work ethic and focus on delivering great value to our customers, and the investments in our business to drive long-term growth.

The investments made in our business include acquiring the previously leased primary processing plant in Bolivar to give us greater flexibility over future planning in our primary processing network and to reacquire one of our strategic assets. We also acquired New Zealand's only organic chicken business, Bostock Brothers, which positions us to grow this niche high-value organic product to export markets and new customers.

We have a clear strategic focus on developing a high-performing team that thrives on building great partnerships with our customers and our suppliers to deliver consistent and reliable returns to our stakeholders.

Our business model and network positions us to create advantage through:

- A fully integrated operational network that operates in unison and at scale to support our customers;
- A commitment to operate to the highest standards, continuous improvement and innovative products that return superior margins;
- People with deep technical expertise across our supply chain focused on unlocking efficiencies; and
- Setting higher standards in sustainability, safety and quality, animal welfare, and creating an inclusive and constructive culture.

These strategic capabilities help us to achieve our Purpose to provide deliciously good food in the best way, and our Ambition to be Australia and New Zealand's first choice for poultry.

## Safety and ESG highlights

Safety is integral to everything we do, and the safety of our teams, contractors and visitors is paramount to our success. In FY24, we reduced our total recordable injury frequency rate (TRIFR) by 7%, from 4.74 down to 4.41, which exceeded our reduction target of 5%. Our commitment to our people is ongoing, with a focus on breaking complacency as well as focusing on the care and psychological safety of our people. This is backed by 85% of our sites having Mental Health First Aiders trained in our teams.

As the largest integrated poultry producer across Australia and New Zealand, and with a business that relies on best practice farming, we are committed to being Always Good to our people, our animals and the planet.

Our 2030 Sustainability Leadership Roadmap guides our people to act responsibly to generate long-term value for our shareholders, customers and the communities where we work. Our performance is transparently reported via a Sustainability Data Pack that is available on our website, and performance highlights are detailed in our Sustainability Report from page 16. FY24 highlights include:

- A proud track record of animal welfare that has seen us maintain 100% of our broiler chicken facilities certified by RSPCA Approved in Australia and SPCA Certified in New Zealand, the only poultry producer to have attained such high standards;
- Achieving a 30% reduction in waste to landfill intensity, exceeding our target of 20% reduction six years ahead of our 2030 schedule;
- Commissioning the water treatment plant at Osborne Park, Western Australia that will enable 40% of water reuse on site; and
- Achieving A or AA certification against the Global Food Safety Initiative (GFSI) and Brand Reputation through Compliance Global Standard (BRCGS).

**WE WILL CONTINUE TO FOCUS ON OUR STRATEGY TO INVEST IN LONG-TERM GROWTH** THAT DELIVERS CONSISTENT AND RELIABLE RETURNS TO OUR CUSTOMERS AND OUR SHAREHOLDERS.

**Board strength**

As reported last year, we farewelled Non-Executive Director Jackie McArthur who retired from the Board. Jackie made a significant contribution to the business during her time on the Board, with the results of her strong and passionate leadership of the Risk and Sustainability Committee seen in the sustainability and safety results delivered by the business.

We also welcomed Non-Executive Director Margaret Haseltine to the Board effective from 1 September 2023. Margie brings tremendous value to our Board with more than 30 years of experience across the fast-moving consumer goods industry, with expertise in disciplines including supply chains and logistics, product and brand, strategy, risk and change management. Margie is Chair of the Risk and Sustainability Committee, and a member of the Nomination Committee.

Your Board has the expertise and experience to enable it to appropriately govern Inghams to achieve its Purpose and Ambition to create value for our customers and shareholders for the long term.

**Thank you**

I would like to thank our people and the leadership team for delivering a record financial year for Inghams. To my fellow Board members and Inghams' shareholders, thank you for your support. We will continue to focus on our strategy to invest in long-term growth that delivers consistent and reliable returns to our customers and our shareholders.



**Helen Nash**  
Chair



# CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR'S REPORT



**I am pleased to report that Inghams delivered a record set of results for the 2024 financial year. It is also important to acknowledge the hard work, dedication and achievement of the entire Inghams team who have contributed to these results.**

## Strong FY24 financial performance

Overall, our FY24 results were very strong, with EBITDA growth of 12.6% and NPAT growth of 68.0% on the prior corresponding period (PCP). Australia and New Zealand have both made strong contributions, resulting in a 30.8% increase in Underlying pre AASB 16 EBITDA to \$240.1 million, a 1.30 percentage point increase in the Underlying EBITDA pre AASB 16 margin to 7.4%, and 27.2% growth in EBITDA per kilo to 50.4 cents.

Group core poultry volume increased 2.8% on FY23. This comprised growth in Australia of 1.9% and strong growth in New Zealand of 8.4%. The growth in New Zealand was driven by a return to normal operating capacity compared to FY23 when production volumes were significantly impacted by lower egg setting in response to acute labour and CO2 shortages.

## Consumer preferences adjusting to the current environment

The broad themes and consumer demand across our various customer channels were consistent across Australia and New Zealand. Retail channel growth was stronger in both markets, as consumers responded to cost-of-living pressures by shifting consumption toward in-home dining options. This shift has been at the expense of the traditional out-of-home channels, including quickservice restaurants and food service distributors.

We achieved price growth across our three key channel groupings, with Group net selling prices (NSP) increasing 5.4% versus FY23, reflecting the full year effect of increases applied later in FY23 and during FY24 in response to the significant growth in key input costs that we have experienced. The growth in NSP was also influenced by changes in our channel mix arising from the shift toward in-home dining, which saw our retail channel share increase.

Overall, while the general rate of inflation across the economy may have moderated a little, operating costs are still rising, and our costs therefore remain elevated.

## Renewing our agreement with Woolworths

The supermarket operator, Woolworths Group, is an important customer of Inghams, and we have a commercial relationship spanning many decades. We have agreed the principle commercial terms for the renewal of our multi-year supply agreement with Woolworths in Australia.

We remain Woolworths' number one poultry supply partner, notwithstanding that under the terms of the new agreement, which will take effect progressively during FY25, the volume of chicken sold to Woolworths will be a little lower than previous levels.

The reduction in volume will accelerate the execution of our customer diversification strategy and aligns with Woolworths' approach of diversifying its supplier mix across the fresh poultry category. We have already won significant new business for FY25, and we are actively working on additional new business opportunities. Overall, Inghams' transition to the new agreement is very well advanced.

## Investing in our network capability, capacity and efficiency

Inghams' capital expenditure covers three main categories: sustaining, investing (core and high growth), and strategic capex.

FY24 was a busy period from an investment standpoint, with total capital expenditure and acquisitions of \$168.3 million, an increase of 134.1% on PCP. Our investment program is delivering some great outcomes, with a number of important investments completed during FY24, and in early July.

Sustaining capex, which is broadly the amount we spend on maintaining our core facilities and equipment, was 83% of pre AASB 16 depreciation.

The significant increase in capital expenditure on the prior year was due to the various programs in the core and high growth investing categories, and the completion of two key strategic opportunities.

We invested \$36.6 million in core and high growth projects in FY24, including our new Northern NSW breeder triangle, completion of a new West Australian distribution centre, and multiple automation investments. Our automation investment program, which encompasses the acquisition and installation of four new leg deboning machines and four new waterjet cutters, is progressing well and is on track for completion in FY25.

Strategic capex represented 50% of total capex and acquisition expenditure during the year. In October 2023, we settled the acquisition of the Bromley Park Hatcheries (BPH) business in New Zealand. The acquisition of BPH represents a compelling opportunity to apply Inghams' knowledge and best practice approach to generate improved performance, while also providing important network benefits. In November 2023, we announced the acquisition of the previously leased Bolivar primary processing plant in South Australia for \$75.6 million. The acquisition of this strategically important asset provides us with greater control over future planning of operations at the site and introduces greater flexibility into the primary processing network.

On 7 March 2024, we announced to the market the acquisition of the Bostock Brothers organic chicken business in New Zealand. The terms of the deal included 100% of the shares in Bostock Brothers Limited (BBL), including the brand with respect to poultry products, three freehold farming properties and the primary processing plant for NZ\$35.3 million.

Established in 2014, BBL is the only certified organic producer of poultry in New Zealand. BBL's operations are located in Hastings, on the central east coast of the North Island, approximately four hours from Inghams' Waitoa operations.

We received the required approvals during the second half of FY24 and settled the acquisition of the business and the farms on 1 July 2024, ahead of forecast. Settlement of the acquisition of the processing plant is expected in the first half of FY25 upon completion of planning-related items by the vendor.

The acquisition of Bostock Brothers aligns with Inghams' strategy and provides growth opportunities including greater domestic market share, export opportunities, and expansion into value-added and further processed categories.

### Solid financial position

Net debt increased \$85.4 million on PCP to \$347.9 million due mainly to the purchase of the Bolivar primary processing facility. Our leverage ratio increased marginally to 1.5 times and remains at the mid-point of our target range of 1.0–2.0 times.

Overall, we retain flexibility to undertake further investments, with total liquidity of approximately \$196 million.

### Sustainable growth

Our commitment to sustainability has resulted in solid year-on-year improvements across our key performance measures, including further reductions in our greenhouse gas emissions and our waste to landfill.

The intensive focus on safety across the business has seen our safety outcomes improve significantly over the past five years, resulting in the Total Recordable Injury Frequency Rate declining by 55% over that period.

In May 2024, we launched our Reflect Reconciliation Action Plan as part of our ongoing commitment to support inclusion, equity and diversity. We have a range of initiatives underway to support Aboriginal and Torres Strait Islander peoples in our business and in the community, including sponsoring CareerTrackers and supporting university students in our business.

In what is believed to be the first transaction of its kind for a poultry company in Australia, in late June 2024 we completed a transaction to convert our entire \$545 million of debt facilities into a Sustainability Linked Loan (SLL). This deal reaffirms our sustainability leadership position within the Australasian poultry industry and demonstrates our ongoing commitment to achieving our ambitious environmental goals.

On food safety, we are very pleased to have achieved A or AA Global Food Safety Initiative (GFSI) and Brand Reputation through Compliance Global Standard (BRCGS) certification ratings across all sites.

This report contains our Sustainability Report, which provides more detailed information on our environmental, social and governance progress and achievements.

### Growing shareholder returns

A key focus area is on delivering strong, sustainable returns for our investors.

A key metric that we use to measure our returns is Return on Invested Capital (ROIC). Our FY24 ROIC was strong at 21.3%, which is higher than the 19.0% return we achieved in FY23.

Reflecting the strength of our financial performance, we declared or paid fully franked dividends of 20 cents per share in respect of FY24, which represents a significant increase of 37.9% on PCP and a payout ratio of 73.1% of Underlying Net Profit After Tax.

### Looking ahead

Consumer conditions are expected to remain challenging in FY25 due to the cost-of-living pressures and, while inflation may moderate further, it is expected to remain elevated.

Core poultry volume is expected to be a little lower due to the phased introduction of the new Woolworths supply agreement and the ongoing effects of cost-of-living pressures on consumers.

The pricing of key feed inputs has moderated over the past 12 months, with wheat and soybean prices declining during that time. As a result, if current pricing levels remain or improve further, we would expect to see some net benefit from lower key feed costs in FY25.

Overall, we believe that Inghams remains well placed for long-term growth. We operate at scale, which translates to efficiency in a large and growing market, executing against relevant consumer insights. This provides a platform for delivering robust and attractive earnings over the long term. We also have the right capabilities and experience to execute our strategic plan, underpinned by a capable team, and the financial strength and flexibility that enables us to invest for growth.

In closing, I would like to thank our shareholders for your support.



**Andrew Reeves**  
Chief Executive Officer  
and Managing Director

# OPERATIONAL HIGHLIGHTS

For personal use only



**IN MARCH, INGHAMS ANNOUNCED THE ACQUISITION OF BOSTOCK BROTHERS, NEW ZEALAND'S ONLY ORGANIC CHICKEN PRODUCER, A KEY STRATEGIC MOVE TO ENHANCE OUR MARKET POSITION AND GROWTH POTENTIAL.**

## ACQUIRING KEY STRATEGIC ASSETS

Operating since 2014, Bostock Brothers is renowned for its premium organic chicken products. This strategic acquisition expands our product portfolio, strengthens our supply chain with the addition of a second primary processing facility and three farms in the Hawke's Bay region on the North Island, and positions Inghams for new growth opportunities, including expanding this niche high-value organic product to export markets and new customers.

On 1 July 2024, we welcomed 70 talented people from Bostock Brothers to the Inghams team. Our immediate focus was to ensure a seamless transition and leverage the synergies of our combined branded portfolio. This includes our distinction as the first poultry producer in New Zealand with SPCA Certified certification for our free range and barn raised farms, and having Carbon Zero certification for our Waitoa brand.

The strong brand recognition of Bostock Brothers as a premium, SPCA Certified organic product range is a significant milestone in our Ambition to be Australia and New Zealand's first choice for poultry.

In December 2023, we acquired the primary processing plant in Bolivar, South Australia, where Inghams had previously operated under a long-term lease. This acquisition is a strategically important investment as it gives us greater flexibility over future planning in our primary processing network and secures our operationally important location for the long term.

## INVESTING IN PRODUCTIVITY FOR STRONG RETURNS

We are focused on investing in our primary processing network to boost productivity and continue to meet customers' growing needs for our deliciously good products.

At our primary processing facility in Tasmania, we installed a new spin chiller. This equipment reduces the internal temperature of products more efficiently and gives the site the capacity to increase production throughput by up to 30%. This new equipment now features at all our Australian primary processing facilities.

We completed the installation of four new Ultimate Leg Deboners at our primary processing facilities in Queensland, Victoria and South Australia ahead of schedule and budget. The Deboners work at twice the rate of the previous machines and remove the need for manual handling in the process to improve safety. Direct steam injection (DSI) waterjet cutters were also installed in our Queensland and South Australia facilities ahead of schedule and budget, with the final two pieces of equipment installed in September 2024. These new pieces of equipment help to meet the growing demand for convenient meal preparation solutions that get 'Dinner Done'.

## CONTINUING SUSTAINABLE DISTRIBUTION

Inghams completed the Group's investment program to build three new distribution centres, with the opening of its new distribution centre in Western Australia in January 2024.

The new purpose-built facility is double the capacity of the previous facility, brings blast-freezing capability in-house, and enabled us to gain export accreditation on the west coast.

We continue to target sustainable growth in our operations, and the new facility features:

- One megawatt of solar panels on its roof, reducing energy consumption by up to 25%;
- On-site rainwater storage and water recycling for toilet flushing, refrigeration and irrigation;
- Low charge ammonia for our refrigeration systems; and
- Electric vehicle charging stations to encourage and support our people to share in our sustainability journey.

Similar to Inghams' distribution sites in Victoria and South Australia, the building is targeting a Green Star rating with the Green Building Council of Australia.



## INGHAMS RECEIVED AN \$11 MILLION GRANT

FROM THE AUSTRALIAN GOVERNMENT TO UPGRADE OUR TASMANIAN FACILITIES FOR A SUSTAINABILITY PROJECT

## GRANTING NEW WORKS IN TASMANIA

The Australian Government awarded Inghams a grant of \$11 million to upgrade its poultry facilities in Tasmania for a landmark sustainability project.

The grant will support the long-term operations of Sorell with investment in essential upgrades to ensure it can operate sustainably and efficiently, including:

- Construction of a new wastewater treatment plant to process water for sustainable irrigation and reuse up to 500 kilolitres of water per production day in the facility, with the new plant to be located further away from nearby wetlands; and
- Installation of a new spin chiller to provide the capability to increase production throughput.

An innovative heat recovery system will also be installed at our hatchery at Premaydena, Tasmania to recycle heat released by the embryos during the incubation process. This system allows for improved ventilation in the hatchery resulting in stronger and healthier day-old chicks delivered to farms. These works are all on track to be completed by late 2025.

### WORKS TO INSTALL NEW SPIN CHILLER



## OPERATIONAL HIGHLIGHTS (CONTINUED)

### A GOOD PLACE TO WORK

As part of our journey to foster an inclusive and constructive culture, we have continued to invest in programs focused on helping our people to bring their best selves to work and to develop their career potential.

In FY24, we launched two new development programs:

- Connect was piloted with approximately 300 people at 11 sites across Australia and New Zealand. This program aligns our operational employees to build a positive workplace culture, and focus on leadership, enterprise thinking and wellbeing. Special attention ensures team members' personal goals align with those of the Company; and
- Aspire was piloted with 12 emerging leaders chosen by the Executive Leadership Team. Participants from across the business were immersed in leadership learning, assessments and coaching sessions to help them in their career journeys with Inghams.

#### RAP LAUNCH



#### CONNECT



**CONNECT**  
WAS PILOTED  
WITH CLOSE TO  
300 PEOPLE

**AT 11 SITES ACROSS AUSTRALIA  
AND NEW ZEALAND**

A key goal for Inghams in FY24 was the launch of our Reflect Reconciliation Action Plan (RAP) to support greater opportunities for First Nations peoples to thrive in our business and the community.

We launched our RAP at our South Australian distribution centre. This is significant as this new facility exemplifies our commitment to sustainability and community with a 5 Star Green Star rating from the Green Building Council of Australia. Inghams commissioned an artwork by local Aboriginal artist, Kelly Taylor, which is on display at the centre and is featured in Inghams' RAP.

RAP initiatives underway and progressed in FY24 include:

- Sponsoring two First Nations university students via CareerTrackers in our Farming and People and Performance Teams. CareerTrackers matches students with employment partners to create meaningful internships that build skills, knowledge and connection with other First Nations talent in diverse fields and industries;
- Providing two First Nations scholarships at NIDA to encourage increased First Nations representation in the arts;
- Updating our enterprise agreements and policies to recognise First Nations kinship rules where immediate family is mentioned; and
- Acknowledging and learning more about important days of recognition, such as National Reconciliation Week and NAIDOC Week, to further our people's education and build respect for First Nations peoples' history and culture.

Days of recognition are also acknowledged in New Zealand to celebrate Maori culture, such as the celebration of Matariki, which marks the start of the Maori New Year.

Inghams is committed to fostering an inclusive and constructive culture so our people feel they can bring their best selves to work and thrive personally and professionally. Our commitment to this journey is aligned to our brand promise to be Always Good to our people at Inghams and the communities where we work, to our animals, and to our planet.

## CREATING DELICIOUSLY GOOD FOOD IN THE BEST WAY

Inghams continues to strive to innovate and expand its range of consumer-ready products across fresh, value enhanced, and further processed products.



### INGHAM'S

**Ingham's Marinated Wings** – Ingham's Marinated Wings launched in two delicious new flavours, smokey BBQ and soy cola. These two-kilogram value packs provide exciting new dinner options for families who are looking for easy mid-week meals.

**The Free Ranger** – The Free Ranger is all about good food from good places. Our chickens are raised outdoors in local regions famous for their produce: The Riverland, South East Queensland, Mornington and Gippsland. These regions are now proudly displayed on our packs, to provide more transparency to consumers about where their food is from.

### WAITOA

#### New Zealand

**Waitoa Flavour Kits** – A new meal solution product providing convenience for consumers including two flavours: creamy pepper chicken and Thai green curry.

**Waitoa Korean BBQ Butterflied Chicken** – A new flavour for this product range.

### QUICK SERVICE RESTAURANT AND FOODSERVICE

#### Australia

**Ingham's Bulk Foodservice Range** – Bigger pack sizes to meet growing demand from customers, with the launch of bulk Tempura Nuggets and Devil Wing Dings pack sizes.

**Hot Rods** – An expansion of a customer's product range.

#### New Zealand

**New range of mild and Cajun chicken tenders, patties and wings** – We are working with a new customer to open a nationwide restaurant chain in New Zealand.

**Stacker burger patties** – A new larger chicken pattie for a customer burger offering.

**Salt and Pepper Bites** – A popular snack returning for a customer promotion.

**Spicy Nuggets** – A twist on the original nugget for an annual customer promotion.

### RETAIL

#### Australia

**Fresh range** – Expanding customers' fresh product range with diced breast, bulk chicken mince and bone-in cuts.

**Frozen range** – Expanding customers' frozen product range with bone-in Kyivs, roasted chicken bites and one-kilogram sweet chilli tenders.

**Free range, value enhanced** – A variety of value enhanced products to expand customers' ranges, including citrus and herb breast steaks, flavoured whole chicken and roasting portions, green curry flavour kits and chilli jam wing nibbles.

**Christmas** – Partnering with customers to launch premium seasonal products including deboned turkey with cranberry and sage, turkey breast stuffed with pumpkin, and turducken with fig and pistachio.

#### New Zealand

**Butterflied chicken** – Two new flavours, firecracker and herb and garlic, to expand a customer's offering.

**Seasonal butterflied chicken (mango curry)** – Working with the customer to have a seasonal six-monthly butterflied bird offering for consumers.

**Chicken breast steaks** – Extending a customer's barn raised and free range trayed chicken offering for consumers.

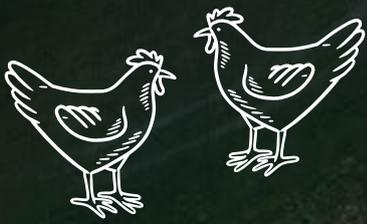
For personal use only



*Our Approach to*  
**SUSTAINABLE**

For personal use only

# SUSTAINABILITY



AT INGHAMS

**OUR PURPOSE IS  
TO PROVIDE**

**DELICIOUSLY**  
*Good* **FOOD**

IN THE   
**BEST** *way*

Our Ambition is to be Australia and New Zealand's first choice for poultry, which is underpinned by being a leader in sustainable poultry and providing food that's Always Good for our animals, our people and consumers, and our planet.

As the largest integrated poultry producer across Australia and New Zealand, with a 100-year history, and a business which relies on best practice farming, we are committed to making a positive difference by addressing sustainability challenges and opportunities.

## **INFORMING OUR APPROACH**

Our 2030 Sustainability Leadership Roadmap ensures we continue to act as a responsible business, align with the Company's strategic direction and generate long term value for our shareholders, customers and communities. We regularly review our material sustainability priorities, and engage with our stakeholders to keep pace with evolving expectations.

This year, for increased ease of reference, Inghams has published an FY24 Sustainability Data Pack on the Company website which includes how we engage with our key stakeholders, a list and definitions of our material topics along with a consolidated table of performance and key data.

# OUR 2030 SUSTAINABILITY LEADERSHIP ROADMAP

For personal use only

## FAIRNESS FOR *Animals* AND PEOPLE

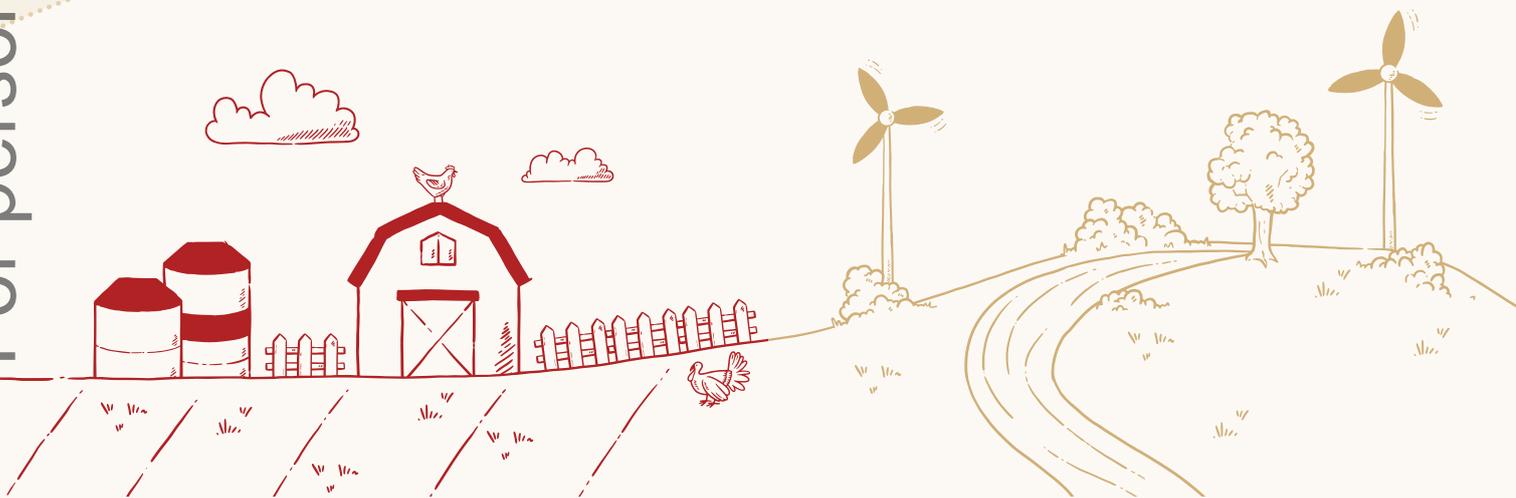
Ensuring welfare for animals and social inclusion, equality and justice for people

## CLIMATE *Action &* PLANETARY HEALTH

Addressing climate risk and supporting a resilient global food system

### WITHIN OUR GATE

We will proactively manage our material topics across the full spectrum of environmental, social and governance



- ANIMAL HEALTH AND WELFARE**
- EMPLOYEE HEALTH, SAFETY AND WELLBEING**
- EMPLOYEE ENGAGEMENT AND DEVELOPMENT**
- INCLUSION, EQUITY AND DIVERSITY**
- HUMAN RIGHTS AND MODERN SLAVERY**
- COMMUNITY INVESTMENT**

- CLIMATE ACTION**
- SUSTAINABLE AGRICULTURE AND BIODIVERSITY**
- WATER STEWARDSHIP**
- WASTE AND SUSTAINABLE PACKAGING**
- SUSTAINABLE PROCUREMENT**

For personal use only



### BEYOND OUR GATE: FLAGSHIP INITIATIVES

We will lead on global imperatives through partnership and innovation; challenging the industry using our voice.

## Protein <sup>IN</sup> HEALTH

Addressing the growing consumption of protein and responsibility to provide healthy and nutritious food



### ADVANCING ANIMAL WELFARE

At Inghams we lead the way with animal welfare. We're embracing innovation, AI and technology to uplift animal welfare, aiming to set new industry benchmarks with our own poultry farming.



### OUR SITES AS CARBON SINKS

Our natural environment can absorb the carbon dioxide in the atmosphere. We will investigate how we could improve the natural capital we have on our sites to reduce carbon emissions and enhance biodiversity.



### REFINING OUR FEED

The soy feed production process can impact our environment through deforestation and biodiversity loss. We are collaborating with suppliers and researchers to develop and source more sustainable protein meals.

**CONSUMER ENGAGEMENT AND EDUCATION**  
**CONSUMER HEALTH AND NUTRITION**  
**PRODUCT SAFETY**

For personal use only



## FY24 SUSTAINABILITY HIGHLIGHTS



### FAIRNESS FOR ANIMALS AND PEOPLE



Maintained 100% RSPCA Approved and SPCA Certified certification for our chicken broiler farming facilities.



Launched our inaugural Reflect Reconciliation Action Plan to contribute to reconciliation with First Nations peoples.



Provided mental health first aid training with accredited Mental Health First Aiders now at 75% of our sites.



446, or 48%, of leaders participated in Grow, our people leader development program.



Reduced our total recordable injury frequency rate (TRIFR) by 7% from 4.74 down to 4.41.



### CLIMATE ACTION AND PLANETARY HEALTH



Agreed our first Sustainability Linked Loan, linking our interest rate to greenhouse gas, water and waste targets.



Reduced waste sent to landfill intensity by 30% since FY20, achieving our FY30 target six years early.



Commissioned Osborne Park water treatment plant, which will enable 40% water reuse on site.



Achieved 56% average recycled content in packaging, exceeding our target of 50% ahead of schedule.



Reduced Scope 1 and 2 greenhouse gas emissions intensity by 29% since FY19.



### PROTEIN IN HEALTH



Achieved A or AA Global Food Safety Initiative (GFSI) Brand Reputation through Compliance Global Standard (BRCGS) certification for 100% of sites.



Reduced customer complaints (CPmkg) by more than 5% year-on-year, on average, since FY19. From FY23 to FY24 complaints remained relatively stable, increasing by 0.17, from 3.25 to 3.42 customer complaints per million kilos of product.



Delivered 'Farm to Fork with Manu' educational video series in collaboration with celebrity chef Manu Feildel.

## GOVERNING FOR SUSTAINABLE OUTCOMES

Our Sustainability Governance Framework is led by the Board and driven by management who are accountable for advancing sustainability in our business. The governance structure includes embedding sustainability priorities in our risk management and operating plans to enable us to clearly define, implement, monitor and review these priorities.

### BOARD

The Risk and Sustainability Committee (RSC) has oversight of sustainability and climate-related risks and opportunities including:

- Material and emerging risks; and
- Approving Inghams' sustainability roadmap, strategies and policies and reviewing progress against targets and commitments.

The Finance and Audit Committee (FAC) has oversight of compliance against climate – and other sustainability-related financial disclosures. The RSC is consulted in this process.

The People and Remuneration Committee (PRC) is responsible for the inclusion of sustainability KPIs and targets in incentive plans.

The Charters for the RSC, FAC and PRC can be found on the Company website.

### EXECUTIVE LEADERSHIP TEAM (ELT)

The ELT and its committees are responsible for the monitoring and oversight of:

- Alignment of sustainability with Inghams' strategic objectives;
- Sustainability strategy, target setting, measuring monitoring and reporting; and
- Continuing investment in our sustainability initiatives.

These functions are delivered through the:

- ELT Risk and Compliance (RAC) Committee (meet quarterly); and
- Capital Committee (meet monthly).

- RAC Charter (internal);
- Annual Operating Plan (internal); and
- Enterprise Risk Management Framework.

### FUNCTIONS & OPERATIONS

General Managers of operations and functions are responsible for implementing the Sustainability Roadmap commitments in their business area. Key responsibilities include:

- Collaborating with suppliers, customers and partners;
- Measuring, monitoring and reporting to improve performance;
- Integrating sustainability performance into key performance indicators (KPIs) and remuneration; and
- Empowering our people to act on sustainability KPIs in their role.

These functions are delivered through:

- Quarterly business unit and function risk committee meetings; and
- Monthly sustainability KPI dashboard.

### SUSTAINABILITY & ENVIRONMENT TEAM

The Sustainability and Environment team sits within the portfolio of the Chief Operations Officer. The team coordinates the development and delivery of the Sustainability Roadmap, in particular:

- Developing strategy for approval;
- Reporting and engagement of both internal and external stakeholders;
- Supporting operations with technical advice; and
- Facilitating external technical guidance and external assurance of annual reporting.

### SITE LEVEL

Site level sustainability teams maintain and follow an Environmental Management Plan (EMP) which is aligned to ISO14001. The EMP includes energy, water and waste targets.

- Site management is responsible for implementation of strategies, policies and commitments; and

Performance is tracked through monthly site level sustainability team meetings.

Environmental Management Plans include:

- Site Planet KPIs reported monthly internally; and
- Annual site Planet KPI targets.

# **FAIRNESS** FOR *Animals* **AND PEOPLE**

Ensuring welfare for animals and social inclusion,  
equality and justice for people

For personal use only



## ANIMAL HEALTH AND WELFARE

### Our Approach

At Inghams, animal health and welfare are at the heart of our business. We strive for industry leadership to ensure the optimal health and welfare of every animal in our care, across all facets of our operations.

Our Animal Health and Welfare team includes the most experienced, in-house veterinary, nutrition and animal welfare specialists in the Australasian meat chicken industry. Our Animal Health and Welfare and Antibiotic Stewardship Councils are formed from our Executive Leadership Team and internal subject matter experts. They provide regular oversight and accountability for our bird health and welfare measures.

Inghams employees make a significant contribution to the wider poultry industry, holding leadership and advisory positions with the Australasian Veterinary Poultry Association, Australian Chicken

Meat Federation, Poultry Industry Association New Zealand, Poultry Research Foundation, AgriFutures Australia, Australian New Zealand College of Veterinary Scientists and McDonald's Chicken Sustainability Advisory Council, among others.

Third party animal health and welfare audits continue to measure and assess our compliance to Australian and New Zealand standards, beyond minimum regulatory requirements. In FY24, this included more than 250 audits across our operations.



ONE OF THREE FLAGSHIP COMMITMENTS IN THE INGHAMS' 2030 SUSTAINABILITY LEADERSHIP ROADMAP IS TO ADVANCE ANIMAL WELFARE.

We aim to set new industry benchmarks in poultry farming by embracing innovation, artificial intelligence, and technology to improve animal welfare. This year, two Inghams farms participated in a research project led by the University of Melbourne and the South Australian Research and Development Institute to study the characteristics of range environments that optimise the birds' behaviour. This case study features on the News section of our website.



For personal use o

**Refreshed Animal Health and Welfare Strategy**

In FY24 we redefined our Animal Health and Welfare Strategy, building on our strategic objectives, with a more ambitious scope. We want to go beyond global alignment to achieve global best practice in animal health and welfare on scientifically validated health and welfare outcomes. We want what is best for the bird.

Underpinning this strategy is:

- Building understanding and transparency;
- Aligning and connecting to the operating model and resourcing; and
- Continuously improving to maintain our animal health and welfare leadership.

We remain at the forefront of research and innovation and participate in animal welfare research projects with Australian and New Zealand-based research organisations and universities. This included participation in a research project with the aim to optimise outdoor range set ups. Our own research, in our world class research facility in Queensland and our operations, means we apply and assess science-based research on animal health and welfare technologies and innovation in our business.

We monitor a number of animal welfare indicators, which we report to our customers and leverage to inform our continuous improvement. Key areas for monitoring and reporting include mortality, disease and injury, antibiotic usage and production.

With a commitment to transparently report on our animal welfare audits in our farming and processing operations, we are proud to have maintained 100% RSPCA Approved and SPCA Certified certification for our chicken broiler farming facilities.

**BEST for BIRD**  
ANIMAL HEALTH & WELFARE PROGRAM

- MORTALITY
- DISEASE & INJURY
- PRODUCTION METRICS
- ANTIBIOTIC USAGE
- ENVIRONMENT



## WE MONITOR A NUMBER OF ANIMAL WELFARE INDICATORS

TO INFORM OUR CONTINUOUS IMPROVEMENT, STRIVING TO DO WHAT IS BEST FOR OUR BIRDS

For personal use only

## EMPLOYEE HEALTH, SAFETY AND WELLBEING

### Our Approach

We are committed to providing a safe and healthy work environment. The safety of our people, contractors and visitors is paramount to our success.

Our work health and safety management systems support us to identify and control hazards, conduct effective risk management, and manage chain of responsibility for injury prevention and health preservation. These systems meet or exceed regulatory requirements and compliance.

Our Golden Safety Rules and Safety Case handbooks further support our people to work safely and implement safe systems.

We continue to invest in safe plant and equipment, such as automation in our facilities which eliminates manual handling, and ongoing capital investment in our material handling fleet and traffic management controls.

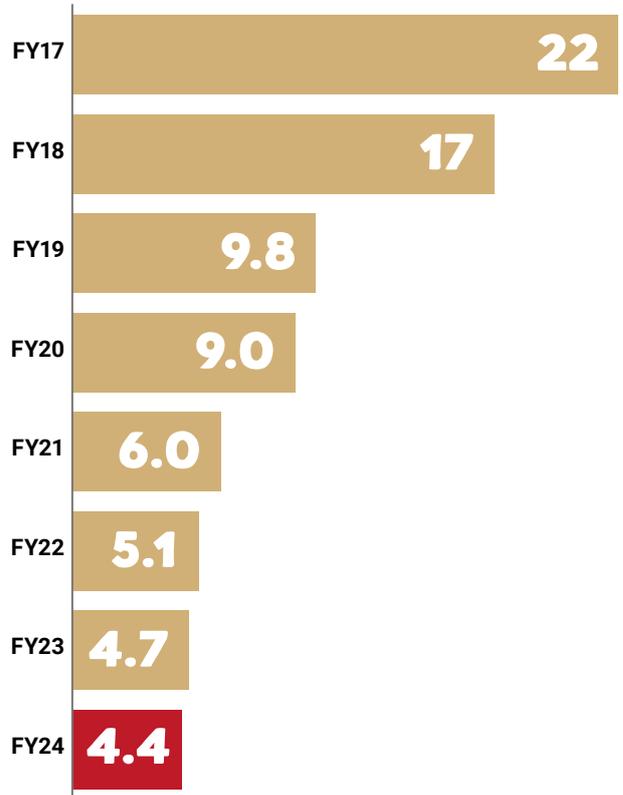
### FY24 Performance

This year we completed our 2022-24 Safety for Life Program across all sites, surpassing our commitment to have 95% compliance company-wide, and are now implementing the 2024-26 program.

We have also implemented safety programs focusing on care, psychological safety, and breaking complacency. Through our wellbeing program we upskilled select people as accredited Mental Health First Aiders at 75% of our sites and piloted a psychosocial safety program in New Zealand.

Our commitment to reduce total recordable injury frequency rate (TRIFR) by 5% from FY23 was surpassed with a decline of 7% down from 4.74 to 4.41. Given our strong progress, our FY25 KPI will be amended from 5% to 3% reduction compared to FY24.

Total recordable injury frequency rate (TRIFR)





For personal use only

## EMPLOYEE ENGAGEMENT AND DEVELOPMENT

### Our Approach

Inghams is focused on providing a constructive and inclusive culture that supports our people to develop and grow their careers while also providing benefits that support them throughout their employee lifecycle. We develop the skills of our people and leaders to support a constructive and inclusive culture journey. We develop and support highly engaged teams and reduce turnover by connecting our people to our employee value proposition. Development of our people ensures a robust succession pipeline.

### FY24 Performance

#### Our Culture Journey

In 2020, Inghams conducted its first company-wide culture survey as part of our journey to becoming a purpose-driven high-performing company. We then identified key focus areas to move to a more constructive and inclusive culture, including developing leadership skills and capability, connecting to our values and behaviours, communicating with and celebrating our people, and encouraging bespoke actions and activities in each business area with team-based cultural action plans.

In FY24, we checked in with our senior leadership cohort and were pleased to see a 13% increase in constructive styles of working, such as having a strong sense of achievement and encouraging others, and a 42% decrease in styles that inhibit people to perform at their best.

Our Executive Leadership Team participated in team effectiveness sessions on culture transformation with thought leaders, continuing to develop a broad perspective on how to influence and lead positive change in our culture journey.

In FY24, 45% of senior or people leader roles were filled by internal candidates as we continue to focus on our people's development and a stretch target to fill three out of four leader roles with internal candidates.

#### Including Everyone in our Journey

The biggest opportunity identified in the culture survey was the important role of our leaders to engage our team members. We continued to implement our Grow program in FY24 with 446 leaders, or 48%, across Australia and New Zealand participating in Grow. The final cohort of Thrive, our senior leadership program, kicked off in FY24, with all senior leaders now participating in this program. We also launched a new program for emerging leaders, Aspire, which is detailed in the Operational Highlights on pages 12 to 14.

#### Bringing the Benefits to our People

We refreshed our employee value proposition – A good place to work – via our internal communications platform (Workplace), town halls and expo-style events at 18 sites. This included the launch of an employee discount program that helps employees to reduce their cost of living, and increased availability of translated communications to improve the accessibility to information for those people who speak multiple languages.

We are committed to developing highly engaged teams to reduce year-on-year turnover, which decreased from 19% in FY23 to 18% in FY24.

## INCLUSION, EQUITY AND DIVERSITY

### Our Approach

Our Inclusion, Equity and Diversity (IED) Policy outlines our commitment to equality and providing a place of work that recognises an inclusive and diverse environment.

### FY24 Performance

The Inghams IED Policy was updated in FY24 to reflect our commitment to gender equality and pay equity in line with the Workplace Gender Equality Amendment (Closing the Gender Pay Gap) Bill 2023. The bill requires employers with more than 500 employees to have policies or strategies in place to close this gap. This commitment is further reflected in our IED Framework with targets to increase gender equality, including increasing women’s representation in leadership roles to 40% or more by 2025, and strategies to foster greater representation through training, development and coaching.

We continue to review all policies and procedures to ensure they are inclusive of our people. This included introducing a Family and Domestic Violence Leave Policy that gives our people 10 days of paid leave and five days of unpaid leave.

### First Nations Engagement

A key goal for Inghams in FY24 was to launch a Reflect Reconciliation Action Plan (RAP) to support greater opportunities for First Nations peoples to thrive in our business and the community. Refer to page 14 for details of the launch.

Our engagement includes celebrating days of recognition including National Reconciliation Week and NAIDOC Week in Australia, and celebrating Mataraki in New Zealand, which marks the start of the Maori New Year.

### Gender

Inghams submitted its Workplace Gender Equality Report (WGEA) in FY24 and, while we acknowledge a better outcome is desired and required, Inghams can report it has improved its gender pay gap from 10.9% to 9.6% in FY24, which is below the current WGEA calculated gender pay gap of 21.7%.

Gender representation in leadership across our organisation remains an ongoing target, with promotions of women increasing to 42%, a 4% year on year improvement. This focus on gender representation aims to help us achieve our target of 40% of women in the Organisational Leadership Team (OLT)<sup>1</sup> by 2025. During FY24, women comprised 43% of our Board, 14% of our ELT and 31% of our OLT. The OLT comprises 64 senior leaders of the organisation.

### LGBTQ+

We updated 10 People and Performance Policies for gender neutrality and LGBTQ+ inclusion as part of our ongoing membership with ACON (the AIDS Council of NSW).

### Ethnicity

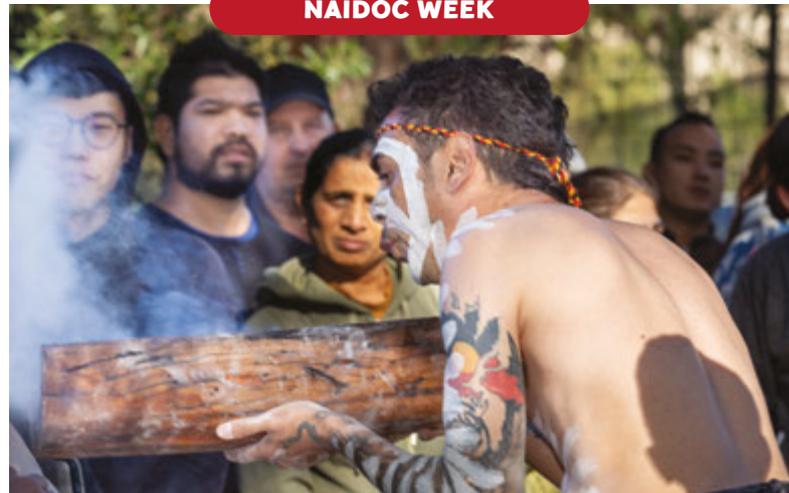
In addition, we transferred all People and Performance Policies to Workplace’s Knowledge Library and used the in-platform translation functionality to make them available in the top 10 languages spoken by our people to support our cultural diversity.



**CULTURAL AND LINGUISTIC DIVERSITY IS SUPPORTED WITH ALL OF OUR PEOPLE AND PERFORMANCE POLICIES**

**MADE AVAILABLE VIA OUR INTERNAL COMMUNICATIONS PLATFORM TO OUR PEOPLE IN THE TOP 10 LANGUAGES SPOKEN ACROSS OUR BUSINESS**

### NAIDOC WEEK



1. The Organisational Leadership Team comprises direct reports to the Executive Leadership Team, Executive General Managers (EGMs) and General Managers reporting directly to Executive General Managers.



For personal use only

## HUMAN RIGHTS AND MODERN SLAVERY

### Our Approach

Inghams is committed to identify, mitigate and report on human rights and modern slavery risks by conducting due diligence on suppliers in high-risk industries. We comply with all relevant regulations and standards and uphold all relevant human labour rights.

### FY24 Performance

Each year we undertake audits of labour practices of selected suppliers. The outcomes will be reported in the FY24 Modern Slavery Statement. We commenced implementation of new procurement software requiring suppliers to sign up to the Inghams' Code of Conduct as part of onboarding.

Our Modern Slavery Statements are available on the Company website.

## COMMUNITY INVESTMENT

### Our Approach

We engage with local communities by donating to and sponsoring organisations who align with our brand promise of being Always Good to our people and the communities where we work, our animals and the planet. We also support our customers' charity partnerships and initiatives.



### FY24 Performance

This year we partnered with these organisations to support people in the communities where we work:

- Woolies Wheels and Walks Tour de Cure:** Inghams was a platinum sponsor in 2024, our fifth year sponsoring the event. Tour de Cure raises vital funds to support researchers, surgeons and clinicians who dedicate their lives to finding a cure for cancer. Tour de Cure has funded more than 771 cancer projects and contributed to 96 scientific cancer breakthroughs. The Inghams team raised almost \$6,000 from donations.



**TAKU WAIRUA KURA PROGRAM**



**OUR COMMUNITY INVESTMENTS ALIGN TO OUR BRAND PROMISE** TO BE ALWAYS GOOD TO OUR PEOPLE AND THE COMMUNITIES WHERE WE WORK, OUR ANIMALS AND THE PLANET.

- Foodbank:** Inghams continues to partner with Foodbank in Australia. In FY24 we donated 768 tonnes of product, or the equivalent of 1,384,000 meals, to support people across Australia. In New Zealand, 14.4 tonnes were donated.
- Ronald McDonald House Charities:** Inghams donated \$50,000 to support a range of fundraising activities including charity balls, golf days and its Meals from the Heart program, which included employees participating in cooking a meal in the Ronald McDonald House kitchen for the families residing there.
- National Institute of Dramatic Art (NIDA) First Nations' Scholarships:** Inghams expanded its support from one to two scholarships for First Nations' students in the Master of Fine Arts writing or directing degree at NIDA. The scholarships include the opportunity for a paid internship at the completion of their course. Inghams believes reconciliation for First Nations' peoples is advanced by increased representation in the arts.
- Matamata Indoor Sports and Recreation Hub:** Our sponsorship supports the development of an indoor sports and recreation facility in Matamata, a town close to Inghams' facilities in the Waitoa region in New Zealand.
- Taku Wairua Kura program:** Since April, Inghams has sponsored three schools in the Waikato region; Te Aroha Primary School, Tatuani School and Firth Primary School. The program helps the students to develop a stronger sense of belonging and identity, improve self-awareness, understand the importance of goal setting, and experience the power of giving back, ultimately supporting at risk children.

**NIDA FIRST NATIONS' SCHOLARSHIPS**



**RONALD MCDONALD HOUSE CHARITIES**





# CLIMATE Action & PLANETARY HEALTH

Addressing climate risk and supporting a resilient global food system

For personal use only



## CLIMATE ACTION

### Our Approach

Inghams is committed to reducing its greenhouse gas (GHG) emissions to play our part to limit global warming to 1.5°C from pre-industrial levels, in line with the Paris Agreement.

As a vertically integrated agribusiness that has always needed to respond to drought, fire and flood, we have already taken great strides to understand, manage and mitigate our exposure to physical and transition climate risks.

The transition to a low carbon economy presents opportunities and risks for our business, our people, and to the infrastructure, communities and environments where we work. Inghams recognises some climate-related impacts are unavoidable, but by identifying and managing climate risk and opportunity across our business and supply chain, we will maintain long term value.

Our business relies on healthy ecosystems to bring food to our communities. We are taking proactive measures to assess and manage our risks, informed by science, to continue to strengthen our ability to effectively navigate the future consequences of global warming.

We track Scope 1 and 2 GHG emissions and provide the data to site and operational management. Site Environmental Management Plans support our sustainability actions and continuous improvement programs, as we reduce emissions and improve site energy efficiency. We also engage with our major customers on our GHG reduction targets and shared challenges.

## FY24 Performance

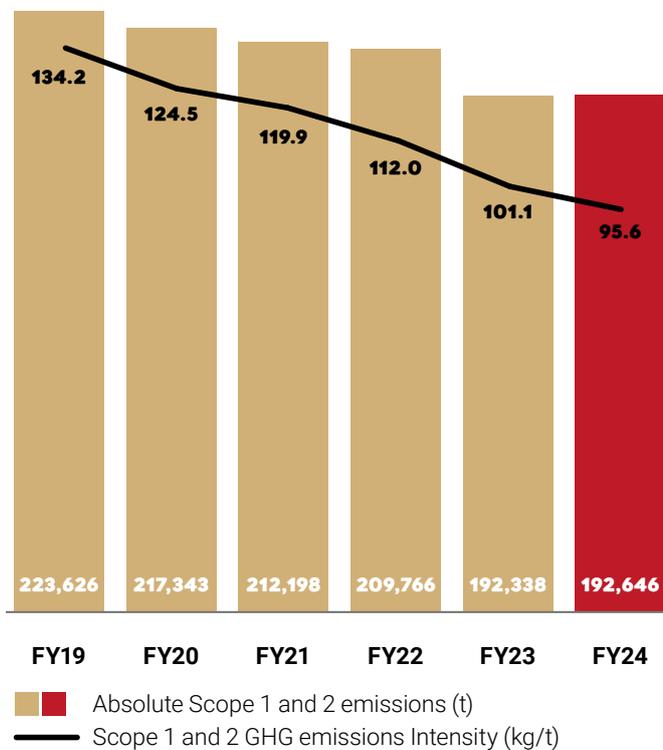
Since FY19, we have reduced our absolute Scope 1 and 2 GHG emissions by 13.9%<sup>1</sup> against our 2030 commitment of 46.2% reduction. Our emissions intensity reduced 5.4% year-on-year.

In New Zealand, we have two net zero certified brands – one chicken and one plant-based – providing consumers with a delicious and sustainable choice. This marks our fourth year of Toitū net carbonzero certification, and these brands remain the only net zero certified products in their categories in New Zealand.

In FY25, Inghams will continue to implement actions to reduce our GHG emissions, including:

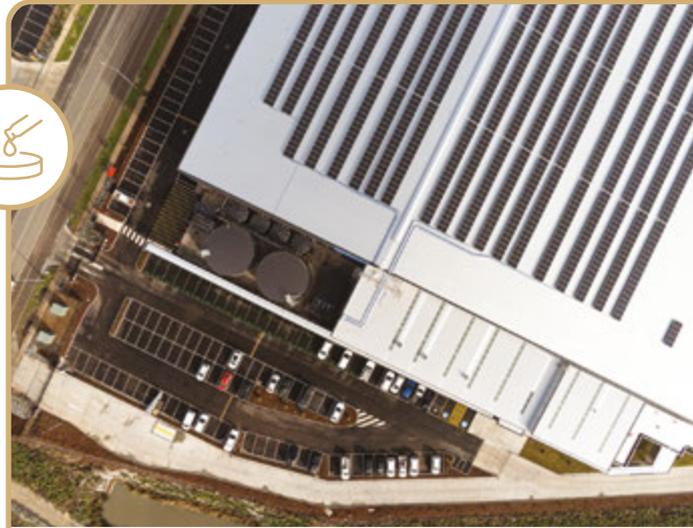
- Increase metering and training to enhance energy use visibility and enable sites to optimise energy use;
- Onsite solar projects in collaboration with landlords;
- Plan for electrification of fossil gas-based plant and equipment;
- Formalise an Inghams Climate Transition Action Plan including emissions reduction pathways for Scopes 1, 2 and 3; and
- Launch the Marion Bay brand as a Climate Active Carbon Neutral certified product.

Total Scope 1 and 2 GHG emissions<sup>2</sup>



1. FY23 and FY24 Scope 1 and 2 GHG data has been assured.

2. Prior year data has been restated. Refer to the Sustainability data pack on the Company website for further detail.



## STATEMENT ON SCIENCE BASED TARGETS

Inghams is committed to developing a Scope 3 target by 2030. Most of our Scope 3 emissions come from three activities: the purchase of feed, in particular soy meal, other purchased goods and services, and upstream transportation and distribution. In 2021 we announced our intention to submit a target for reducing Scope 3 emissions to be validated by the Science Based Targets initiative (SBTi). In undertaking the work required to set this target, we have been exploring low carbon solutions for the purchase of feed as a key emissions reduction initiative. Our research into low carbon feed substitutes continues, however there are currently no commercially viable options to meet our targets in the short term.

While we received SBTi endorsement of our targets in May, we have decided not to commit to a Scope 3 target at this time and as a result have removed our SBTi commitment. We are actively investigating scalable feed supply solutions in line with our flagship initiatives. As a result of finalising our SBTi target validation, we have increased our Scope 1 and 2 target to a 46.2% reduction by 2030.

In future, we will report our Scope 3 footprint in line with mandatory climate reporting requirements, demonstrating our commitment to transparency and advocacy for a sustainable food system.

## **INGHAMS ESTABLISHES ITS SUSTAINABLE FINANCE FRAMEWORK**

Earlier this year, Inghams successfully negotiated its first Sustainable Finance Framework with a Sustainability Linked Loan (SLL). This framework, and the resultant loan, expands Inghams capability to deliver our commitment of Always Good by linking the cost of borrowing to performance against pre-determined sustainability performance targets across GHG emissions, water and waste. Inghams is the first poultry company in Australia and New Zealand to convert its entire \$545 million of debt facilities into an SLL.

For personal use only



### **Climate-Related Financial Disclosures**

Inghams has been reporting in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2021 and is well advanced and strategically positioned to effectively navigate forthcoming mandatory disclosure regulations.

This year, Inghams undertook a readiness assessment against the draft Australian Sustainability Reporting Standards (ASRS). In consultation with internal finance, risk, strategy and operations teams, we developed a roadmap to prepare for the introduction of mandatory climate-related financial disclosures, commencing for Inghams in FY26.

This table summarises our current position against the four pillars of climate-related financial disclosures that are common to both TCFD and ASRS, with the sub-headings moving toward ASRS alignment.

Focus area	Our position as of 2024
<b>GOVERNANCE</b>	
<b>Board oversight of climate-related risks and opportunities</b>	<p>Oversight of sustainability and climate-related risks and opportunities is provided by the Board and its Risk and Sustainability Committee (RSC). The RSC meets quarterly and is responsible for identifying and managing material and emerging risks at Inghams, including economic, health, safety, quality, environmental, social, sustainability, climate and governance risks.</p> <p>With regards to climate, the RSC remit includes approval and oversight of Inghams' 2030 Sustainability Leadership Roadmap, strategies and policies and reviewing progress against targets and commitments. See the RSC charter on the Company website for more information.</p>
<b>Management role in assessing and managing climate-related risks and opportunities</b>	<p>Assessing and managing climate-related risks and opportunities is performed by the ELT's Risk, Assurance and Compliance (RAC) Committee. Specific risk assurance and compliance meetings are conducted by the operations, agribusiness, and New Zealand teams every quarter.</p> <p>The tools used to manage and monitor progress against climate risk actions include:</p> <ul style="list-style-type: none"> <li>• Scope 1 and 2 GHG emissions monitoring through a web portal, Envizi;</li> <li>• Regular reporting of Scope 1 and 2 GHG emissions, landfill waste, energy and water usage through an internal Planet KPI Dashboard;</li> <li>• Site Environmental Management Plans incorporating energy, water and waste targets;</li> <li>• Site Business Continuity Plans; and</li> <li>• Environmental incident reporting, used by site teams and systems to respond to emergency issues, including climate-related impacts and events.</li> </ul> <p>Key areas of underperformance and risk are escalated to the RSC under its remit to measure, manage and mitigate climate-related risks.</p>
<b>STRATEGY</b>	
<b>Climate-related risks and opportunities</b>	<p>We have completed a detailed climate change risk assessment across a representative sample of sites identifying key risks, including water security for New Zealand primary processing. This has been acted upon through a network of bores at that site. We have also identified a broader list of risks and opportunities relevant to all site types across the short term (to 2030) and medium-long term (beyond 2030).</p>
<b>Business model and value chain</b>	<p>We have reviewed the impact on our business of recent bushfire and flood events in Australia and New Zealand. Workshops with stakeholders identified climate-related impacts of concern, and quantified the findings and costs, providing a baseline to assess the impacts of climate change.</p>
<b>Strategy and decision-making</b>	<p>Stakeholder engagement identified enterprise-level material climate risks and opportunities. These have been explored and integrated into the Enterprise Risk Management Framework. Further work will be undertaken to include these risks in the strategic planning cycle and capital budgets.</p>
<b>Financial position, financial performance and cash flows</b>	<p>Analysing financial data related to recent bushfire and flood events across Australia and New Zealand, we isolated the associated financial effects. This work will be developed further to consider impacts across the whole of the business as we prepare for mandatory climate-related financial disclosures.</p>

## SUSTAINABILITY REPORT (CONTINUED)

Focus area

Our position as of 2024

### STRATEGY CONTINUED

#### Climate resilience

Climate risk assessment is a vital part of our corporate strategy and is actively monitored and reviewed.

We have completed a scenario analysis to understand how future climate change will affect our assets and operations. Stress tests used extreme physical climate parameters to explore our vulnerability to amplifying climate extremes such as drought, heatwaves, and sea level rise. It also used a carbon price of \$150 per tonne for Scope 1 and 2 emissions to highlight transition risks and potential financial consequences. The exercise highlighted areas of vulnerability, which are now priority opportunities for Inghams to explore and action. See risks and opportunities on page 35 for further details.

By measuring climate impacts against an established financial baseline, we have a benchmark for future progress and reporting.

### RISK MANAGEMENT

#### Process for identifying, assessing and prioritising climate related risks

Our Board and RSC have ultimate responsibility for the organisation's climate-related risk management identification and strategy. They liaise on relevant matters with the Finance and Audit Committee and People and Remuneration Committee.

As outlined, we have completed assessments and workshops (with a third-party sustainability consultant) to identify the impacts of climate-related risks and assess our resilience under an extreme climate stress test scenario for physical risks in both 2030 and 2050.

Our 2030 Sustainability Leadership Roadmap outlines our commitments to manage climate-related risks. Enterprise level and site-specific Business Continuity Plans (BCP) have been developed to respond to climate-related events.

#### Integration into overall risk management framework

Climate-related risks are incorporated into the Enterprise Risk Management Framework as core risks to the business and are managed across the organisation. The Inghams Board sets the risk appetite, oversees the Risk Management Framework, and satisfies itself the framework is sound. The Board and RSC assess the influence of climate change on our operations and the effectiveness of climate risk mitigation measures. The RAC assesses and manages climate-related risks. Key areas of underperformance and risk are escalated to the RSC.

### METRICS AND TARGETS

#### Climate-related metrics

Our 2030 Sustainability Leadership Roadmap outlines our commitments to achieve our sustainability goals and manage climate-related risk. The key metrics measured and reported are water usage, energy usage, GHG emissions and waste. Normalisation to metrics per tonne of production is used as an industry standard and for uniform comparison across metrics.

Our operational vulnerability to physical climate-related changes is measured by drought-related supply chain risk (feed supply) and financial impact considerations.

The metrics tracked by Inghams are aligned with the sustainability related risks and are detailed in our Enterprise Risk Report.

#### Climate-related targets

Inghams has updated its Scope 1 and 2 emissions reduction target to align with a 1.5°C transition pathway. We regularly review our position on commitment to a Scope 3 emissions reduction target.

We continue to monitor and report on water intensity and waste to landfill targets.

For personal use only

## Opportunities

The status of climate-related opportunities is summarised in the following table.

Opportunity	Description	Current status
<b>Alternative feedstock</b>	Local climate resilient feedstock of protein meals to offset soymeal importation and reduce supply chain risks and environmental impacts.	The first stage of a trial of alternative protein source was completed in 2024, with work ongoing.
<b>Circular economy for internal supply chains</b>	Circular economy and waste and water recycling to establish local and potentially onsite internal supply chains which reduce waste and costs, and increase environmental performance and climate resilience.	In 2025 Inghams will review waste targets beyond FY30 targets that have been met. The poultry supply chain is well placed to use production outputs to create a circular economy.
<b>More resilient assets</b>	New strategically located custom built assets with lower risk and cost profiles. These new assets would reduce physical climate exposure, reduce exposure to increasingly dense urban populations, reduce insurance and running costs and improve environmental performance.	Since 2023, all projects with a value greater than \$10 million include a requirement for a Climate Change Risk Assessment.
<b>Onsite renewable energy</b>	Onsite renewable energy generation and cogeneration to reduce exposure to both increasing energy costs and future pricing of emissions.	Total installed solar capacity on Inghams sites is 3MW. As part of our commitment to source 75% green electricity by 2030, we have undertaken feasibility studies in FY24 for onsite renewable energy projects.

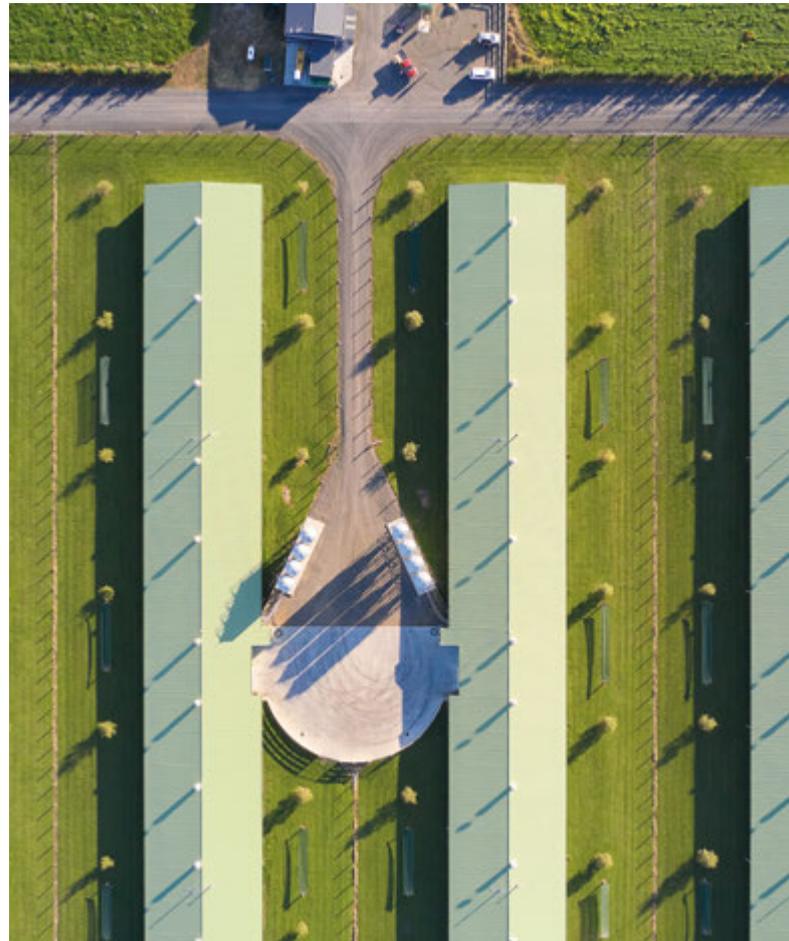
## Risks

Physical risks have been identified through the lens of the types of extreme climate events that have historically impacted our operations. These assessments used two plausible future climate scenarios representing warming trajectories associated with current global policies in the near term, and higher warming in the long term<sup>1</sup>. The key physical risks identified were:

- International extreme climate events (particularly drought in South America where some feedstock is sourced);
- Drought and rainfall decline in Australia and New Zealand;
- The direct and indirect impacts of fire, extreme heat inducing heat stress on our people and animals; and
- The projected increase in the frequency and intensity of storms, floods, hail contributing to damage, loss of power and limiting access to sites.

Key transition risks we currently monitor include:

- Significant likelihood of disruptions to supply chains and increasing costs of procurement. This is particularly relevant for feedstock where growing regions will likely face greater physical climate impacts which could be compounded by other factors such as international conflicts, inflation, transport logistics, and fertiliser shortages;
- Increasing environmental regulation and the potential implementation of further environmental controls such as carbon pricing; and
- Changing consumer preferences and increasing demand for plant-based proteins. Consumers are becoming more environmentally conscious and turning away from emissions intensive industries.



1. Representative Concentration Pathway (RCP) 4.5 in the near term (2030) and RCP 8.5 in the long term (2050).

## SUSTAINABLE AGRICULTURE AND BIODIVERSITY

### Our Approach

Fostering biodiversity and implementing sustainable agriculture practices are foundational to supporting a healthy, regenerative environment. Our success as an integrated agricultural business is dependent on nature and its services. Conversely as a business with a major land footprint, we have an opportunity to promote sustainable agricultural practices and enhance biodiversity on our sites and within our supply chain.

Inghams is committed to supporting biodiversity and health of ecosystems by understanding and addressing the impacts of our operations and supply chain and supporting sustainable agriculture practices.

Sustainable agriculture and biodiversity are areas where Inghams we can lead 'beyond our gate', as illustrated by two of our three flagship initiatives.

### FY24 Performance

#### Collaboration Across the Australian Agriculture Industry

Inghams continued to participate in activities sponsored by the Sustainable Agriculture Initiative.

We have collaborated with the Australian Chicken Meat Federation to develop the Chicken Meat Sustainability Framework, to be launched in FY25.

We have met with key customers, landlords and growers on opportunities to collaborate to reduce the risk of deforestation, biodiversity loss, and Scope 3 emissions through our feed supply.



For personal use only



FEED INGREDIENTS, PARTICULARLY SOYMEAL IMPORTED FROM SOUTH AMERICA, HAVE BEEN LINKED TO POTENTIAL FOR DEFORESTATION AND BIODIVERSITY LOSS.

We are researching alternative raw feed materials with a lower environmental impact than current soymeal products via two trials:

1. Our partnership with an Australian university and industry partner continues our research into alternative protein options to soymeal. Stage one of the trial was completed in 2024, and cost and feasibility reviews are underway to determine the next steps.
2. In New Zealand, we have partnered with the government, universities and other partners on a project to develop an alternative protein source.

We are also working closely with our soymeal suppliers to ensure they are working towards implementing robust practices to ensure certified deforestation and conversion free soymeal supply for Inghams.

## WATER STEWARDSHIP

### Our Approach

Inghams acknowledges water as a precious natural resource shared with the environment and the communities in which we operate. Water is essential to processing poultry. From ensuring the optimum health of our birds, to achieving the highest hygiene standards in our food processing, cleaning and sanitation.

We measure water usage, both water withdrawals from the environment and water reuse, in absolute volumes and intensity. We monitor and benchmark usage at site, by business unit and company-wide, with site annual targets set to align with our 2030 target to reduce water use across key facilities by 20% from the 2019 baseline.

Through site specific Environmental Management Plans and adherence to trade waste agreements, we prevent contamination of the local environment and ensure responsible effluent management at our sites.

### FY24 Performance

With a focus on achieving our commitment to reduce total water intensity by 20% by 2030 compared to FY19, in FY24 we:

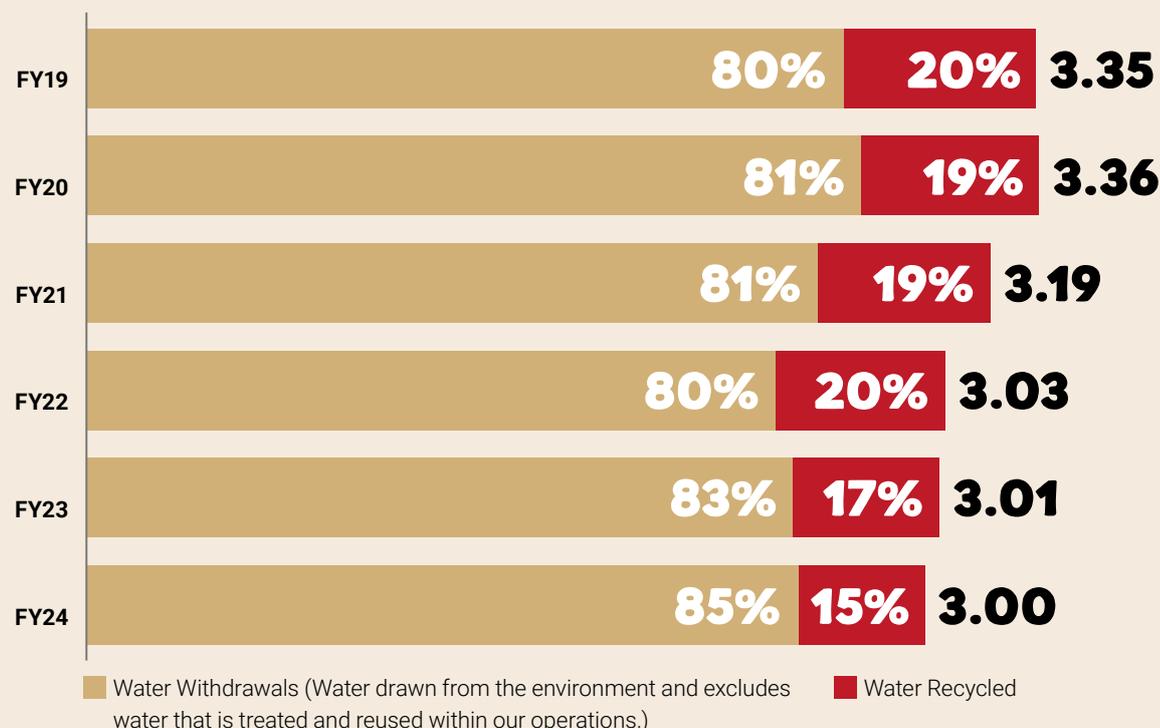
- Achieved greater than 10% reduction since FY19, which is more than halfway towards our 2030 water use intensity target;
- Recycled 15% of water through onsite treatment and recirculation, with improving water recycling rates identified as a key focus area to manage our water use impacts;
- Commissioned the new water recycling and treatment plant at our Osborne Park primary processing facility in Western Australia, which is expected to operate at a 40% reuse rate once fully operational; and
- Linked management remuneration to water intensity for the first time.

In FY25, Inghams will:

- Focus on improving water monitoring to track and manage key water use and augment existing water treatment plants; and
- Complete upgrades to Sorrell primary processing plant, including a new spin chiller, in Tasmania.

### Total Water (withdrawals and recycled) intensity (kL/T)<sup>1</sup>

This graph illustrates total water intensity (kilolitres per tonne of product (kL/T)) performance across all Inghams operations.



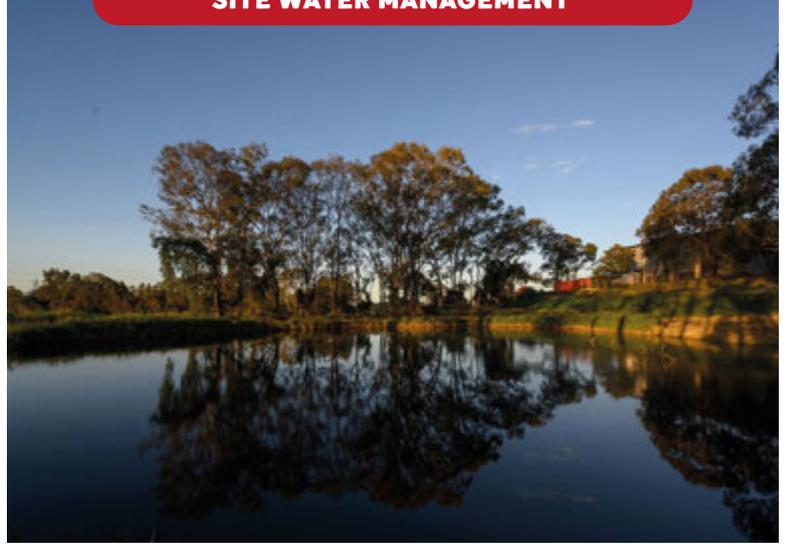
1. FY23 and FY24 Scope 1 and 2 water data has been assured. Prior year data has been restated. Please refer to the Sustainability data pack on our website for further detail.



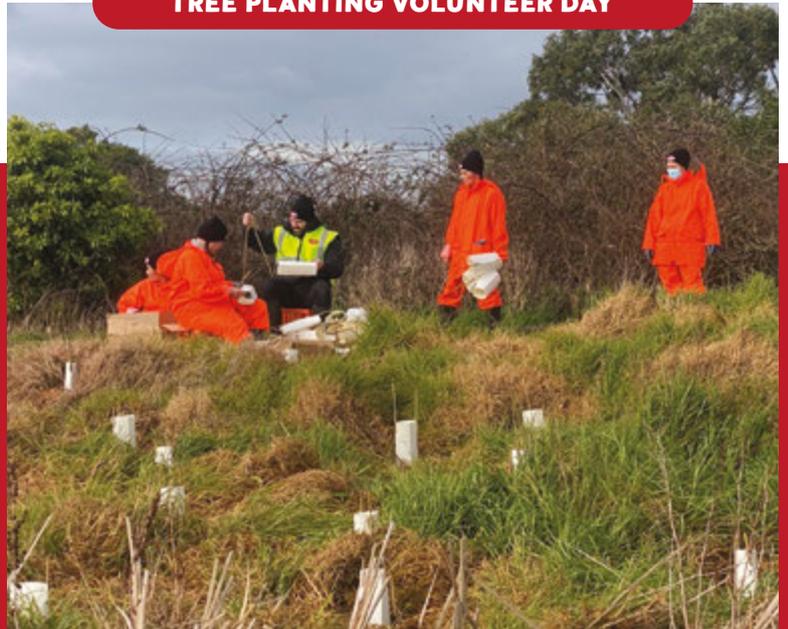
**WE ARE MORE THAN  
HALFWAY TOWARDS  
OUR 2030 WATER  
USE INTENSITY  
TARGET,**

**ACHIEVING GREATER  
THAN 10% REDUCTION  
SINCE FY19.**

**SITE WATER MANAGEMENT**



**TREE PLANTING VOLUNTEER DAY**



**FLAGSHIP INITIATIVE**  
  
**OUR SITES  
AS CARBON  
SINKS**

WE ARE WORKING TO  
BETTER UNDERSTAND  
AND MITIGATE OUR IMPACT  
ON THE ENVIRONMENT BY  
SEQUESTERING CARBON  
ON OUR SITES.

In 2023, Inghams worked with Greening Australia to undertake desktop feasibility assessments at five key sites to assess the potential of carbon projects across the landholding.

In New Zealand, Inghams supported a native low land forest regeneration project started by a local landowner on their farm.

Inghams is a long-term tenant of many of the sites on which we operate, so will seek to partner with key owners. In FY25 Inghams will continue to investigate opportunities to support restoration of native vegetation across our sites, to enhance biodiversity and to act as carbon sinks.

For personal use only

## WASTE AND SUSTAINABLE PACKAGING

### Our Approach

Inghams aims to progressively move towards a circular economy by using resources responsibly, minimising waste and increasing recycling opportunities across our supply chain. Waste and packaging are important focus areas due to their cost, resource use, and environmental impact. It is also a focus area for our customers and consumers.

Inghams continues to work towards the Sustainable Packaging Targets, set by the Australian Packaging Covenant Organisation (APCO).

Our Procurement team includes packaging specialists who consider the sustainability of packaging alongside requirements for safe and secure food distribution.

### FY24 Performance

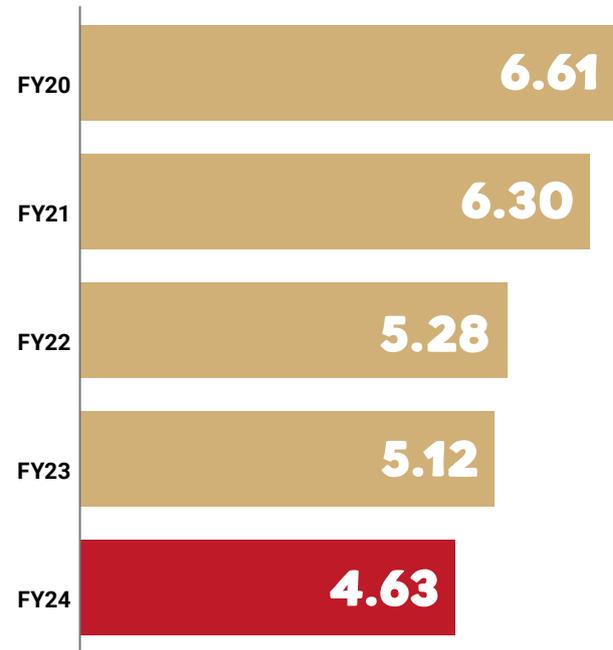
Our 2030 Sustainability Leadership Roadmap includes a commitment to reduce waste to landfill by 20% by 2030. In FY24, Inghams achieved a 30% reduction from our baseline, meeting our FY30 target six years early. We also diverted 87% of waste from landfill. This has been a collaborative outcome. Many site teams have identified and actioned initiatives relevant to their operations to reduce waste. Our waste management partners have also improved the quality of reporting and identified opportunities to divert waste from landfill. Case studies on some of these initiatives feature on the News section of our website.

With the early achievement of the 2030 landfill waste reduction target, we have an opportunity to look beyond waste, and to set targets and programs aligned with broader circular economy principles. Our refreshed approach will be reported in FY25.

We have achieved 86% recyclable or compostable packaging, against a target to achieve 100% by 2025<sup>1</sup>. We have reassessed this target based on balancing commercial feasibility with safe and secure food distribution standards, and are now targeting 95% by FY25.

We exceeded our target to have an average of 50% of packaging comprising recycled content by FY25, with 56% of packaging now comprising recycled content. Furthermore, to ensure our product packaging has minimal impact on the environment, we continued work to eliminate unnecessary packaging and included disposal instructions on our packaging to encourage consumers to recycle.

Inghams Group Landfill Waste Intensity (kilogram per tonne of product)<sup>2</sup>



## SUSTAINABLE PROCUREMENT

### Our Approach

Inghams seeks to procure products and services directly and through its supply chain to help us to meet the social and environmental goals outlined in our 2030 Sustainability Leadership Roadmap.

### FY24 Performance

Inghams has commenced implementing new procurement software which enables suppliers to sign the Inghams Supplier Code of Conduct as part of onboarding. Implementation will be finalised in FY25.

We are working with suppliers to reduce the amount of plastic – liners, stretch wraps and films – used in our product packaging. With supplier JD Refrigerated Transport, Inghams is trialling an electric truck to reduce its greenhouse gas emissions in its product deliveries. As part of our commitment to our Reflect Reconciliation Action Plan, we have also partnered with Muru for the purchase of office stationery and supplies, Australia’s largest First Nations supply company.

## 2030 TARGET OF 20% REDUCTION IN WASTE TO LANDFILL INTENSITY MET!

1. Inghams’ FY24 packaging reporting is in line with APCO reporting, which reports as at the previous year, i.e. reports FY23 performance.  
 2. FY23 and FY24 scope 1 and 2 landfill data has been assured. Prior year data has been restated. Please refer to the Sustainability data pack on our website for further detail.

# Protein <sup>IN</sup> HEALTH

Addressing the growing consumption of protein and responsibility to provide healthy and nutritious food

For personal use only

## CONSUMER EDUCATION AND ENGAGEMENT

### Our Approach

We aim to raise awareness with consumers with regard to the health and sustainability of our products so that they can purchase responsibly.

### FY24 Performance

In FY24, we expanded our digital awareness campaign with celebrity chef Manu Feildel to educate consumers regarding the animal welfare that underpins our production. The Farm to Fork series can be viewed on the Company website.

With our retail customers, we collaborated on advertising to promote animal welfare in farming and to reinforce the sustainability credentials of the poultry industry.

To better align to consumer expectations, we aligned our free range accreditation from FREPA to outdoor certification with the RSPCA Approved Farming Scheme.

## CONSUMER HEALTH AND NUTRITION

### Our Approach

Inghams is committed to providing our consumers with healthy and sustainable products that are Always Good.

### Our FY24 Performance

Inghams has committed to a new consumer health and nutrition target. We are committed to make healthier options easier for our consumers by ensuring all the Inghams portfolio of branded retail products display a Health Star Rating. Where applicable, we will strive to achieve a minimum HSR of 3.5 stars for Inghams branded retail products by 2027.



## A OR AA RATED ACROSS ALL OUR SITES AGAINST THE BRAND REPUTATION THROUGH COMPLIANCE GLOBAL STANDARD.

### PRODUCT SAFETY

#### Our Approach

Inghams is committed to the continual improvement in the development and implementation of food safety and quality systems, standards, and procedures to produce safe, legal, and authentic products, across our operations including storage and distribution.

Inghams believes the responsibility for achieving food safety and quality commitments lies with each employee in the execution of their jobs. Inghams is dedicated to creating a culture of food safety and quality awareness across the organisation to encourage and promote food safety and quality leadership. We deliver this through Product Pride, our food safety and quality program.

Product Pride includes a range of policy, training and engagement activities. In FY24 this included:

- Security visitor declaration updates;
- Leading quality module training for site managers and supervisors in the Grow program;
- Annual review of Food Safety and Quality Policy;
- Plain English Allergen Labelling and reconciliation of obsolete labels;
- Education on the changes to allergen labelling; and
- Food Allergy Week activities.

#### FY24 Performance

In FY24 there were 140 audits by Brand Reputation through Compliance Global Standard (BRCGS), regulators, industry and customers conducted by external auditors across Inghams processing and distribution sites.

- Achieved A or AA Brand Reputation through Compliance Global Standard for annual audits at 100% of sites, above the targeted A rating average;
- Completed Product Pride (food safety and quality program) at 98% of sites, above the targeted 90% completion rate; and
- Reduced customer complaints (CPmkg) by more than 5% year-on-year, on average, since FY19. From FY23 to FY24 complaints remained relatively stable, increasing by 0.17, from 3.25 to 3.42 customer complaints per million kilos of product.

1. Calculation method: the number of customer complaints per million kg (CPmKg) is compared to the previous financial year to calculate a percentage reduction. The year on year percentage reductions are then averaged based on the total number of years since FY19.

#### DINNER DONE



#### PRODUCT PRIDE



# BOARD OF DIRECTORS



## HELEN NASH

### Chair

*Bachelor of Arts (Honours),  
Graduate of the Australian  
Institute of Company Directors*

*Chair of the Board of Directors,  
Chair of the Nomination Committee,  
Member of the Risk and Sustainability  
Committee*

Helen started her career in finance with the Certified Institute of Management Accountancy. On completion of these professional exams, she transitioned to a marketing career spanning more than 20 years and three industries: consumer packaged goods, publishing and media, and quick service restaurants. Helen was Senior Vice President and Chief Marketing Officer for McDonald's Australia and New Zealand, before taking on strategic, commercial and operational responsibility for the business as Chief Operating Officer for McDonald's Australia. Helen is currently an independent Non-Executive Director of Metcash Limited and Southern Cross Media Group Limited. She was formerly a Non-Executive Director of Blackmores Limited and Pacific Brands Limited.



## ANDREW REEVES

### Chief Executive Officer and Managing Director

*Bachelor of Arts (Economics),  
Advanced Management Program  
at Harvard Business School*

Andrew was appointed Chief Executive Officer and Managing Director of Inghams Group Limited on 29 March 2021. He has more than 40 years' experience in leadership and governance roles across the food and beverage, and agribusiness industries in Australia and internationally.

From 2019 to 2021, Andrew was a Non-Executive Director of Inghams Group Limited, and a member of the Finance and Audit Committee, and Risk and Sustainability Committee. He was previously the Chief Executive Officer of George Weston Foods Limited, Managing Director and Executive Director of Lion Nathan Limited, Managing Director Australia of Coca-Cola Amatil Limited, Managing Director of The Smith's Snackfood Company and a Non-Executive Director of Halo Food Co. Limited.



## LINDA BARDO NICHOLLS AO

### Non-Executive Director

*Bachelor of Arts (Economics),  
Master of Business Administration,  
Life Fellow of the Australian Institute  
of Company Directors*

*Member of the Finance and Audit  
Committee, Member of the Risk and  
Sustainability Committee, Member  
of the People and Remuneration  
Committee, Member of the  
Nomination Committee*

Linda has more than 25 years' experience as a non-executive director and chair of large ASX-listed companies, government business enterprises, private firms and not-for-profit organisations. Her executive career was in banking, insurance and funds management in Australia, New Zealand and the United States. Linda is currently Chair of Melbourne Health (operating as Royal Melbourne Hospital), and a Non-Executive Director of Medibank Private Limited and Museums Victoria. Previously, she was Chair of Japara Healthcare Limited and Keolis Downer, and a Director of Fairfax Media Limited.



**ROB GORDON**

**Non-Executive Director**

*Bachelor of Science (Honours), Chartered Engineer, Member of the Australian Institute of Company Directors*

*Member of the Finance and Audit Committee, Member of the Nomination Committee*

Rob has 40 years' experience in the FMCG and agribusiness sectors. This includes more than 25 years in chief executive officer and managing director roles for companies including Dairy Farmers Pty Limited, Goodman Fielder Limited (Meadow Lea and consumer goods divisions) and Viterra Inc. Rob recently retired as Chief Executive Officer of Ricegrowers Limited and associated entities but remains a member of the Rabobank Agribusiness Advisory Board. He has also served as Non-Executive Deputy Chair of the Australian Food and Grocery Council and as a Member of Gresham Private Equity Advisory Board.



**MARGARET HASELTINE**

**Non-Executive Director**

*Bachelor of Arts, Secondary Teachers Diploma, Fellow of the Australian Institute of Company Directors*

*Chair of the Risk and Sustainability Committee, Member of the Nomination Committee*

Margie has more than 30 years of business experience across manufacturing, end-to-end supply chains and logistics, and is experienced in product, brand, strategy, risk, change management and governance. Her career includes 20 years with Mars Inc, with five years as Chief Executive Officer of Mars Food Australia (formerly Masterfoods Australia New Zealand). Margie currently serves as Non-Executive Director of Metcash Limited, and Non-Executive Director of Bapcor Limited. She also serves on the Boards of Kennards Hire Pty Limited and The Real Pet Food Company. Her experience includes various board roles, across business, government and not-for-profit, including National Food Precinct, Agrifood Skills and BagTrans.



**MICHAEL IHLEIN**

**Non-Executive Director**

*Bachelor of Business (Accounting), Fellow of the Australian Institute of Company Directors, Fellow of Certified Practising Accountants, Fellow of the Financial Services Institute of Australasia, Member of the Financial Executives Institute of Australia*

*Chair of the Finance and Audit Committee, Member of the People and Remuneration Committee, Member of the Nomination Committee*

Mike has significant experience across FMCG, supply chain and logistics companies. He has held senior roles at Coca-Cola Amatil Limited, including Executive Director and Chief Financial Officer and Managing Director of Coca-Cola Amatil Poland. He was also Executive Director and Chief Financial Officer of Brambles Limited prior to becoming Chief Executive Officer until his retirement from this role in 2009. Mike also serves on the Boards of Ampol Limited, Scentre Group Limited and the not-for-profit mentoring organisation Kilfinan Australia, and was formerly a Non-Executive Director of CSR Limited.



**TIMOTHY LONGSTAFF**

**Non-Executive Director**

*Bachelor of Economics, Fellow of the Institute of Chartered Accountants in Australia and New Zealand, Senior Fellow of the Financial Services Institute of Australia, and Graduate of the Australian Institute of Company Directors*

*Chair of the People and Remuneration Committee, Member of the Finance and Audit Committee, Member of the Nomination Committee*

A chartered accountant, Tim had a 25-year career in investment banking, with many years in managing director and senior executive roles at top tier global investment banking firms, where he advised the boards and chief executive officers of leading Australian and international companies on transformational strategic mergers and acquisitions, and capital markets transactions. More recently, Tim served as Senior Advisor to a Federal Cabinet Minister in the trade & investment, and finance portfolios. Tim is also a Non-Executive Director of Perenti Global Limited, The George Institute for Global Health, Snowy Hydro Limited and Aurizon Holdings Limited. He is a Member of Australian Government's Takeovers Panel.

# SENIOR MANAGEMENT



## **GARY MALLETT**

### **Chief Financial Officer**

*Chartered Accountant,  
Bachelor of Business (Accounting).*

Gary joined Inghams in 2019. He is responsible for the Company's financial management and reporting, treasury, investor relations, company secretarial and legal, risk management, procurement, property management, mergers and acquisitions, and information technology.

Gary has more than 30 years' experience in various senior finance roles with ASX-listed companies, including Brambles Limited and Origin Energy Limited. Before joining Inghams, he was Chief Financial Officer at Senex Energy Limited. He also serves as Secretary and Director of several Inghams Group Limited subsidiary companies.



## **EDWARD ALEXANDER**

### **Chief Executive, New Zealand**

*Bachelor of Commerce  
(Economics, Finance)*

Ed joined Inghams in 2015. He is responsible for leading the New Zealand business across all operations, sales, marketing and support services. He previously held the position of Chief Strategy Officer from 2020, before being appointed Chief Executive, New Zealand in June 2022.

Ed's experience with the Company includes sales, strategy, integrated business planning, mergers and acquisitions and commercial optimisation. He has more than 15 years' experience in corporate strategy, change management, sales and operations planning through his previous positions at Aon Risk Solutions and Ernst & Young.



## **SEB BRANDT**

### **Chief Strategy and Planning Officer**

*Bachelor of Economics  
(Marketing, Business Statistics)*

Seb joined Inghams in 2019. He works across Australia and New Zealand to deliver our strategy and grow the business by executing the Company's annual operating plan, and leading innovative product breakthroughs based on strategic consumer data research. He was Chief Marketing Officer from 2019, before being appointed to the role of Chief Strategy and Planning Officer in March 2023.

Seb has more than 20 years of strategic marketing and brand building experience in the food and beverage, quick service restaurant and retail categories, having previously worked at Carlton & United Breweries, McDonald's, PepsiCo and Red Bull. His skills and passion lie in creating growth via clear strategy, winning new business and consumers, brand building, entering new categories, and instilling an innovation mindset at all levels of the organisation.



**GRANT KERSWELL**

**Chief People Officer**

*Bachelor of Business  
(Human Resource Management),  
Master of Business Administration*

Grant joined Inghams in 2019. He provides strategic advice in critical areas such as capability, culture, communications, safety and wellbeing, payroll and remuneration, and workplace relations.

Grant has more than 30 years' leadership experience in human resources from previous senior roles at organisations including Arnott's Limited, Broadspectrum, Coca-Cola Amatil and the Seven Network. This experience underpins his delivery of robust and innovative human resources solutions that align with strategy and business objectives.



**ANNE-MARIE MOONEY**

**Chief Operations Officer**

*Bachelor of Commerce,  
Graduate of the Australian Institute  
of Company Directors*

Anne-Marie joined Inghams in 2018 and was appointed Chief Operations Officer in March 2022. She is responsible for Inghams' Australian chicken and turkey operations, including farming, feedmills, processing and distribution. She also leads Inghams' sustainability, animal welfare and veterinary services.

Anne-Marie's experience in the Company includes executive responsibility for agricultural operations and commodity procurement for Australia and New Zealand. She has more than 25 years' experience across the energy and agricultural sectors in roles spanning risk, strategy, transformation, commercial sales and operations. She is also an experienced senior executive holding prior positions at Eraring Energy and Ridley Corporation Limited.



**MARK POWELL**

**Chief Customer Officer**

*Bachelor of Commerce,  
Master of Business Administration,  
Chartered Accountant, Graduate  
of the Australian Institute of  
Company Directors*

Mark joined Inghams in 2021. He is responsible for managing our customer relationships, strategic marketing and new product execution.

Mark has more than 25 years' experience in the FMCG industry. In previous roles, he led cultural change to build high performing teams, achieve consistent sales, share and profit growth, and develop and execute strategic plans. Before joining Inghams, Mark held senior leadership roles with Coca-Cola Amatil, Lion Nathan and PwC Australia.

# CORPORATE GOVERNANCE STATEMENT

This statement summarises the Corporate Governance framework, policies and practices of Inghams Group Limited (ACN 162 709 506) ('Inghams' or 'the Company') for the financial year ended on 29 June 2024 ('reporting period') in accordance with the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations ('ASX Recommendations'). Inghams Board of Directors has approved this Corporate Governance Statement.

Inghams Board and Committee Charters and the key Corporate Governance policies referred to in this statement are available on the Company website at: <https://investors.ingham.com.au/Investor-Centre/Governance.html?page=corporate-governance>

## PRINCIPLE 1

### LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### Board Responsibilities

The Board is responsible for the overall governance of Inghams, including overseeing and appraising the Company's strategies, policies, performance and reporting to shareholders. In accordance with the Board Charter, the Board sets, reviews and monitors compliance with the Company's values, strategies, policies and performance, and ensures that shareholders are kept informed of the Group's performance and any major developments affecting its state of affairs.

The Company's Purpose and values form the basis of Inghams culture and are disclosed on the Company website.

The Board Charter sets out the Board's role, powers and duties, and establishes the functions reserved for the Board and those delegated to management. The Charter is available on the Company website at: <https://investors.ingham.com.au/Investor-Centre/Governance.html?page=corporate-governance>

The Board's responsibilities as set out in the Board Charter include:

- Selecting, appointing and evaluating, from time to time, the performance of, determining the remuneration of, and planning succession of the Chief Executive Officer and Managing Director (CEO/MD);
- Contributing to and approving management's development of corporate strategy, setting performance objectives and approving operating budgets;
- Reviewing, ratifying and monitoring systems of risk management and internal control, and ethical and legal compliance;

- Monitoring corporate performance and implementation of strategy and policy;
- Approving major capital expenditure, acquisitions and divestitures, and monitoring capital management;
- Monitoring and reviewing management processes aimed at ensuring the integrity of financial and other reporting; and
- Overseeing the Company's Environmental, Social and Governance (ESG) commitments, initiatives and reporting, and Developing and reviewing corporate governance principles and policies.

The Board delegates authority to the CEO/MD for the day-to-day operations of the Company, its subsidiaries and their respective operations. The Company Secretary is accountable to the Board, through the Chair, for the proper functioning of the Board.

#### Board Reviews and Appointments

The Board regularly reviews the performance and effectiveness of the Board, its committees and individual directors. This is done to ensure individual directors, Board committees, and the Board as a whole work effectively in meeting their responsibilities.

During the reporting period, a review was undertaken, facilitated by an external consultant. The review covered the performance and effectiveness of the Board, its committees, committee Chairs, and individual directors.

The Company has written agreements in place with its directors setting out the terms of their appointment. Before the appointment of a new director, the Company arranges for appropriate checks to be undertaken relevant to a decision on whether to elect a director. Material information relevant to each director's qualifications and experience is disclosed to security holders through a number of channels, including via the Notice of Meeting, and the directors' resumés and other information in this report. Margaret ('Margie') Haseltine was appointed to the Board on 1 September 2023 and stood for election at the 2023 AGM. Additionally, Helen Nash and Michael Ihlein stood for re-election at the 2023 AGM. Information relevant to the election of Margie Haseltine, and to the re-election of Helen Nash and Michael Ihlein was made available to shareholders in the Notice of Meeting for the 2023 AGM.

During the reporting period there were changes to Board Committee membership to accommodate Margie Haseltine's appointment, Jackie McArthur's resignation effective from 7 November 2023, and Rob Gordon's Board approved leave of absence from 23 January 2024 to 31 July 2024.

## Inclusion, equity and diversity

The Company has an Inclusion, Equity and Diversity Policy, which includes a requirement that the Board sets measurable objectives for diversity, including gender diversity. The Company's FY24 targets for gender diversity were that women should comprise at least 35% (in aggregate) of the Board and senior leaders within Inghams' management. The measurable objective with respect to the Board meets the recommendations applying to Inghams as an S&P/ASX 300 company under the ASX Recommendations. As a 'relevant employer' under the Workplace Gender Equality Act 2012, the Company submitted its annual filing to the Workplace Gender Equality Agency (WGEA) by 31 May 2024 for the 12-month period ending 31 March 2024, disclosing our Gender Equality Indicators. When published, the report can be accessed in accordance with the ASX Recommendations at: <https://data.wgea.gov.au/organisations/464>.

During FY24, women comprised 43% of our Board, 14% of our Executive Leadership Team, 31% of our Organisational Leadership Team (OLT) and 43% of our people across Australia and New Zealand. Our 35% target for representation of women in the OLT fell short by three women. This was due to a restructure of the Senior Leadership Team (SLT) to a much smaller Organisational Leadership Team group, reduced from approximately 90 to 60 people, and some vacant roles that were previously held by women, being replaced by men. We remain committed to our long-term target of 40% of women in the OLT by the end of 2025 driven by a commitment to support 50/50 gender representation in interview shortlists with both internal and external recruiters. While our recruitment approach remains focused on always finding the best candidate for the job, in FY24, 69% of salaried and senior roles had a woman candidate on the shortlist and 55% of those applicants were successful in securing the role. Further to achieving our target, we also have a number of talent initiatives in place including talent identification, and development programs and initiatives that focus on growing and/or accelerating the building of capability, to support the advancement of women. This includes access to learning and mentoring programs, such as the Chief Executive Women program.

## Executive responsibilities and reviews

Each member of the Executive Leadership Team, including the CEO/MD, has a written service agreement that clearly sets out their role and responsibilities. The goals and objectives of the Executive Leadership Team are aligned with Inghams' strategic objectives. The performance of each member of Inghams' Executive Leadership Team is evaluated during the reporting period. The performance of the CEO/MD is reviewed by the Board and the Chair.

The Company undertakes appropriate background checks on Executive Leaders before appointment. Details of the experience of the Executive Leadership Team are set out in this report and <https://investors.inghams.com.au/Investor-Centre/>.

## PRINCIPLE 2

### STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE

For most of the reporting period, the Board comprised of seven Directors – six independent Non-Executive Directors and one Executive Director (being the CEO/MD)<sup>1</sup>. The Chair of the Board, Helen Nash, is an independent Non-Executive Director. The Board seeks directors with an appropriate range of skills, knowledge, experience, independence and diversity to deal with current and emerging business issues. The table below summarises the key skills of the directors and forms the basis of the skills matrix against which Non-Executive Directors are assessed, to ensure that the skills and experience of the Board reflect the various areas relevant to Inghams' core capabilities and strategic objectives. Details of the experience, qualifications, and length of service of current directors are set out in this report.

### Independence of directors

The Board only considers a director to be independent where they are free of any interest, position, association or relationship that might influence, or might reasonably be perceived to influence, in a material respect, their capacity to bring independent judgment to bear on issues before the Board and to act in the best interests of Inghams and its shareholders generally. The Company's Board Charter sets out guidelines for the purpose of determining independence of directors in accordance with the ASX Recommendations and has adopted a definition of independence based on the ASX Recommendations. The Board will consider the materiality of any given interest, position, association or relationship on a case-by-case basis and reviews each director's independence in light of interests disclosed to the Board from time to time. During the reporting period, the Board considered that each of Helen Nash (Chair), Rob Gordon, Michael Ihlein, Timothy Longstaff, Jackie McArthur, Linda Bardo Nicholls AO and Margie Haseltine<sup>1</sup> were free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their respective judgment as directors, and were able to fulfil the role of an independent director for the purposes of the ASX Recommendations.

1. During the reporting period, Jackie McArthur retired as a Non-Executive Director, effective 7 November 2023 and Margie Haseltine joined the Board as a Non-Executive Director, with effect from 1 September 2023.

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

**Nomination Committee and Board education and succession**

Throughout the reporting period, the Board's Nomination Committee had at least three members and all members, including the Chair, were considered independent.

As at the end of the reporting period the Nomination Committee comprised of six Non-Executive Directors: Helen Nash (Chair), Rob Gordon<sup>1</sup>, Michael Ihlein, Timothy Longstaff, Linda Bardo Nicholls AO and Margie Haseltine. The roles, responsibilities, composition and structure of the Nomination Committee are set out in the Nomination Committee Charter available on the Company website.

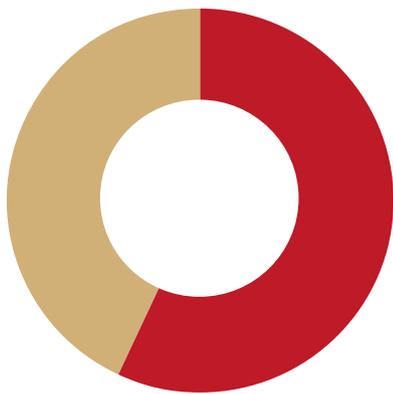
The Nomination Committee assists the Board with the selection and appointment of directors. The number of times the Nomination Committee met throughout the reporting period and individual attendance is set out elsewhere in this report.

The Board has a program for inducting new directors and considers ongoing professional development for directors to maintain the skills and knowledge needed to perform their roles effectively.

The Board will continue to review its composition with a view to enhancing its base of skills and experience, and to develop succession plans to maintain an appropriate balance of skills, knowledge, experience, independence and diversity on the Board.

For personal use only

**Gender diversity**



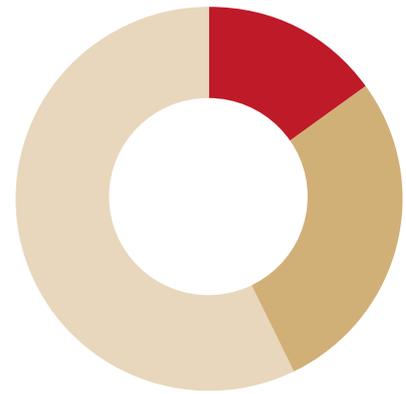
Men  
Women

**Tertiary qualifications**



Science  
Business MBA  
Accounting and Finance  
Commerce and Marketing

**Tenure**



0-2 Years  
2-4 Years  
4+ Years

**Skills and experience<sup>2</sup>**



1. Rob Gordon was on a Board approved leave of absence from 23 January 2024 to 31 July 2024.  
2. This table reflects the composition of the Board at the end of the reporting period.

### PRINCIPLE 3

## INSTIL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY

The Company is committed to act with honesty, integrity and ethically in all its dealings. It has adopted a Code of Conduct that underpins the Company's commitments, ethical standards and policies. It also outlines the standards of conduct expected of Inghams' business and people, taking into account the Company's legal and other obligations to its stakeholders. The Company's values – care, courage, curiosity and commitment – form the basis of Inghams' culture and are disclosed on the Company website.

The Company has an Anti-Bribery and Anti-Corruption Policy and a Whistleblower Policy. These policies outline the Company's commitment to prevent fraud, bribery and corruption and provides a mechanism for individuals to report concerns regarding potentially improper practices or behaviours. The Board is advised of all material breaches of those policies and the Code of Conduct through the People and Remuneration Committee. Copies of these policies are available on Inghams website at: <https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance>

### PRINCIPLE 4

## SAFEGUARD INTEGRITY IN CORPORATE REPORTING

### Finance and Audit Committee

The Finance and Audit Committee (F&AC) assists the Board in fulfilling its corporate governance and oversight responsibilities in relation to:

- the integrity of the Company's financial reporting;
- the Company's financial controls and systems; and
- the Company's relationship with each of the external auditor and internal auditor, and the external and internal audit functions generally.

The F&AC Charter sets out the roles, responsibilities, composition and structure of the Committee.

Throughout the reporting period, the F&AC had at least three members and all members, including the Chair, were considered to be independent.

At the end of the reporting period, the F&AC was comprised of four Non-Executive Directors: Michael Ihlein (Chair), Rob Gordon<sup>1</sup>, Timothy Longstaff and Linda Bardo Nicholls AO.

The CEO/MD, the Chief Financial Officer (CFO), the external auditor and the internal auditor must attend Committee meetings if requested. The Committee has unrestricted access to management and the auditors, and the right to seek explanations and additional information.

1. Rob Gordon was on Board approved Leave of Absence from 23 January 2024 to 31 July 2024.

The Committee meets with the external auditor and the internal auditor without management present. The number of times the F&AC met throughout the reporting period and individual attendance is set out elsewhere in this report.

### CEO and Managing Director and Chief Financial Officer certifications

Prior to the Board's approval of the half year and full year financial statements, the CEO/MD and the CFO provided assurances to the Board for each of those reporting periods, that in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively. As part of the FY24 full year financial statements, the CEO/MD and the CFO also provided confirmation that the consolidated entity disclosure statement was true and correct.

### External Audit

Inghams' external auditor is KPMG. The Company's auditor attends the Company's Annual General Meeting (AGM) each year and is available to answer questions from shareholders relevant to the audit and the preparation and content of the auditor's report.

### Internal Audit

The Internal Audit department provides independent and objective assurance on the adequacy and effectiveness of the Group's systems for risk management, internal control and governance. Internal Audit also offers recommendations to improve the efficiency and effectiveness of Inghams' internal control systems and processes. The Internal Auditor reports to the Board through the F&AC on Inghams' compliance against its governance framework and policies, and has direct access to the Chair of the F&AC. The Internal Auditor oversees the implementation of Inghams' risk framework across the organisation and provides the F&AC with reports and information relevant to assisting the Committee with discharging its responsibilities.

### Verification

Inghams is committed to providing shareholders and other stakeholders with timely and transparent corporate reporting. For any periodic report that is not audited or reviewed by an external auditor, including disclosures in this report on operations, sustainability, risk and corporate governance, the Company has implemented internal verification processes to validate the statements made and support the data used. During the reporting period, ASX announcements (other than administrative announcements) were reviewed and approved before publication by the Inghams Board and/or the Company's Disclosure Committee comprising the CEO/MD, CFO, GM – Investor Relations and Company Secretary.

## CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Inghams' process to verify the integrity of corporate reports is based on the nature of the relevant report, its subject matter and where it will be published. Generally, the following processes and principles are applied for preparation and verification of its corporate reporting:

- relevant subject matter experts provide corporate reports with oversight by relevant Executive Leadership Team members;
- all reports are required to be accurate and not misleading, and to comply with applicable legislation or regulation; and
- relevant reports must be authorised for release by any appropriate approver.

The Annual Report for the reporting period, which includes Inghams' Financial Statements, the Operating and Financial Review, the Remuneration Report, Sustainability Report and Corporate Governance Statement, were prepared by the relevant subject matter experts and reviewed and verified by relevant Inghams executives and senior leaders prior to receiving Board approval.

For sustainability disclosures, the reporting is prepared with reference to the Global Reporting Initiative and the Australian Sustainability Reporting Standards. Bureau Veritas provided limited assistance on selected environmental key performance indicators, and the information subject to assurance is identified in the report. Sustainability reporting is prepared in line with Inghams' FY24 Sustainability Basis of Preparation, which is also reviewed by Bureau Veritas. Our FY24 assurance statement is available on the Company website.

### PRINCIPLE 5

## MAKE TIMELY AND BALANCED DISCLOSURE

The Company has a Continuous Disclosure Policy for the purposes of complying with its continuous disclosure obligations. The policy outlines the processes the Company implements to ensure compliance with its continuous disclosure obligations, including the role of the Disclosure Committee. The Company releases any new and substantive investor or analyst presentations prepared by the Company on the ASX Market Announcements Platform ahead of any presentations.

Directors are promptly provided with copies of all material announcements after they have been made.

A copy of the Continuous Disclosure Policy is available on Inghams website at:

<https://investors.inghams.com.au/Investor-Centre/Governance.html?page=corporate-governance>

### PRINCIPLE 6

## RESPECT THE RIGHTS OF SECURITY HOLDERS

### Communication with shareholders

Inghams' investor relations program aims to promote effective two-way communication between the Company, and both investors and market analysts. This ensures they are kept informed of all major developments affecting the Company's state of affairs. In addition, Inghams values the opportunity to hear the views and concerns of investors and analysts and, where appropriate, management distils and communicates those views to the Board.

Shareholder communications include half yearly and annual reports, market announcements and media releases. All are available in the Investor Centre of the Company website, together with corporate governance information and background information on the Group. Shareholders have the option to receive communications from and send communications to Inghams and its security registry electronically to ensure information is received in a timely manner. Digital communications also support our commitment to more sustainable operations.

The Company provides the full text of all notices of meetings and explanatory material on its website. The Company also encourages shareholders to provide email addresses so that notices of meetings and explanatory material can be sent to shareholders electronically. A notice setting out the rights of shareholders to request that documents be sent to them in a manner required by section 110K of the Corporations Act is available on the Company's website: <https://investors.inghams.com.au/Investor-Centre/AGM.html?page=annual-general-meetings>

The Company encourages the participation of shareholders at its AGM each year. All substantive resolutions at meetings of shareholders of the Company are decided by poll.

### PRINCIPLE 7

## RECOGNISE AND MANAGE RISK

### Risk and Sustainability Committee

Inghams' Risk and Sustainability Committee (R&SC) is responsible for overseeing the implementation and effectiveness of both the Company's risk management system and its sustainability strategy and reporting.

The R&SC Charter sets out the responsibilities of the Committee in relation to risk.

Throughout the reporting period, the R&SC had at least three members and all members, including the Chair, were considered independent.

As at the end of the reporting period, the R&SC was comprised of three Non-Executive Directors: Margie Haseltine (Chair), Helen Nash and Linda Bardo Nicholls AO<sup>1</sup>.

1. Rob Gordon stepped down from the R&SC during the reporting period.

Prior to her resignation following the Company's 2023 annual meeting, Jackie McArthur was Chair of the R&SC. Rob Gordon assumed the Chair position from November 2023 until 23 January 2024, with the commencement of his Board approved leave of absence in early 2024.

The number of times the R&SC met throughout the reporting period and individual attendance is set out elsewhere in this report.

### Evaluate and manage risk

The Board and the Risk and Sustainability Committee monitor and evaluate risks through a variety of existing systems, programs and policies. The Finance and Audit Committee monitors and evaluates financial risks, while the People and Remuneration Committee monitors and evaluates people risks. The Board and/or Risk and Sustainability Committee also review the following areas:

- the Company's risk management and compliance framework, including an at least annual review of the entity's risk management framework to satisfy itself that the framework continues to be sound and that Inghams is operating with due regard to the Board's risk appetite statements, which are agreed annually and monitored biannually;
- health, safety, quality and environmental risks;
- all other material and emerging risks including but not limited to risks associated with cyber security, brand and reputation, climate change and regulatory matters (but excluding financial and people risks, which are the responsibility of the Finance and Audit Committee and People and Remuneration Committee respectively);
- strategic risks facing the Company;
- the annual insurance program structure;
- the adequacy of business continuity plans; and
- the Company's sustainability strategy, reporting and implementation plans.

The Company's management is responsible for managing strategic, financial and operational risk, and implementing risk mitigation measures, within parameters established and overseen by the Board and its Committees. Management incorporates risk management into strategic planning and decision-making to understand and prioritise the management of material business risks. The R&SC reviews key risks within the Company's risk management framework to ensure Inghams' strategy is applied in a responsible, ethical and sustainable way.

Inghams' Sustainability Report, contained within the Annual Report, addresses material risks and opportunities within our spheres of influence and considered key for sustainable performance, including animal welfare, climate action, water stewardship, sustainable agriculture, waste and sustainable packaging, people and safety, and procurement.

## PRINCIPLE 8

### REMUNERATE FAIRLY AND RESPONSIBLY

#### People and Remuneration Committee

Inghams' People and Remuneration Committee (P&RC) assists and advises the Board on remuneration policies and practices for the Board and Executive Leadership Team, including equity-based remuneration for executive management.

The roles, responsibilities, composition and structure of the P&RC are set out in the P&RC Charter.

Throughout the reporting period, the P&RC had at least three members and all members, including the Chair, were considered to be independent.

As at the end of the reporting period, the P&RC comprised three Non-Executive Directors: Timothy Longstaff (Chair), Michael Ihlein and Linda Bardo Nicholls AO.

Jackie McArthur was also a member of the P&RC during the reporting period.

The number of times the P&RC met throughout the reporting period and individual attendance is set out elsewhere in this report.

#### Director and executive remuneration

The Remuneration Report included in this report details Inghams' policies and practices for remunerating directors and executives. The Company distinguishes the remuneration of Executive Directors and Executive Leaders from Non-Executive Directors by offering Executive Leaders a mix of fixed and at-risk remuneration through the Company's short-term and long-term incentive plans. These plans are designed to enable Inghams to realise its strategic objectives by rewarding sustainable performance and behaviour that is aligned to our Purpose and values.

Non-Executive Directors' remuneration is fixed and includes superannuation. It does not include any retirement benefits.

#### Securities trading policy

Inghams' Securities Dealing Policy includes terms which provide that the Directors, the CEO/MD and other Company executives (each being 'Designated Persons' under the Policy) are prohibited from entering into transactions or arrangements which could have the effect of limiting their exposure to risk relating to an element of their remuneration that has not vested or is held subject to escrow restrictions.



For personal use only

# FINANCIAL REPORT

# DIRECTORS' REPORT

This audited general purpose financial report for the 53 weeks ended 29 June 2024 covers the consolidated entity comprising Inghams Group Limited (the Company) (ACN 162 709 506) and its controlled entities ('The Group', 'Inghams'). The Group's functional and presentation currency is Australian dollars (\$), rounded to the nearest hundred thousand, except where stated otherwise.

## DIRECTORS

The following persons were Directors of Inghams Group Limited during the year and until the date of this report unless otherwise noted:

NAME	ROLE	DATE OF APPOINTMENT	DATE OF RESIGNATION
Helen Nash	Chair	20 August 2022 <sup>1</sup>	
Rob Gordon	Non-Executive Director	11 April 2019 <sup>2</sup>	
Margaret Haseltine	Non-Executive Director	1 September 2023	
Michael Ihlein	Non-Executive Director	16 April 2020	
Timothy Longstaff	Non-Executive Director	20 January 2022	
Linda Bardo Nicholls AO	Non-Executive Director	7 October 2016	
Andrew Reeves	CEO & Managing Director	14 January 2019 <sup>3</sup>	
Jackie McArthur	Non-Executive Director	18 September 2017	7 November 2023

1. Helen Nash served as a Non-Executive Director from 16 May 2017 until her appointment as Chair on 20 August 2022.
2. Rob Gordon was on a Board approved leave of absence from 23 January 2024 to 31 July 2024.
3. Andrew Reeves served as a Non-Executive Director from 14 January 2019 until his appointment as CEO & Managing Director on 29 March 2021.

## DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of Board Committees) held during the year and the number of meetings attended by each director, during their time in office, were as follows:

	DIRECTOR MEETINGS HELD	DIRECTOR MEETINGS ATTENDED	F&AC MEETINGS HELD	F&AC MEETINGS ATTENDED	P&RC MEETINGS HELD	P&RC MEETINGS ATTENDED	R&SC MEETINGS HELD	R&SC MEETINGS ATTENDED	NOM C MEETINGS HELD	NOM C MEETINGS ATTENDED
H Nash <sup>1</sup>	7	7 <sup>(c)</sup>	–	3*	–	5*	2	6*	6	6 <sup>(c)</sup>
R Gordon <sup>2</sup>	7	3	4	2	–	2*	3	3	6	3
M Haseltine <sup>3</sup>	6	5	–	1*	–	2*	5	5 <sup>(c)</sup>	5	4
M Ihlein	7	7	4	4 <sup>(c)</sup>	5	5	–	4*	6	6
T Longstaff	7	7	4	4	5	5 <sup>(c)</sup>	–	6*	6	6
J McArthur <sup>4</sup>	2	2	–	1*	1	1	2	2	2	2
L Bardo Nicholls	7	7	4	4	5	5	6	5	6	6
A Reeves	7	7	–	4*	–	5*	–	6*	–	–

F&AC = Finance and Audit Committee

P&RC = People and Remuneration Committee

R&SC = Risk and Sustainability Committee

Nom C = Nomination Committee

\* Denotes attendance by a Director while not a member of the Committee

(c) Denotes Chair of the Board or Committee as at the end of the reporting period.

Meetings held applies to the number of meetings held while a Director was on the Board or a member of the relevant Committee.

Meetings attended applies to both Committee & Non-Committee members.

1. Helen Nash was appointed a member of the R&SC in January 2024, when Rob Gordon commenced a Board approved leave of absence, and has remained as a member of that Committee.
2. Rob Gordon was appointed as Chair of the R&SC on 7 November 2023. Rob Gordon was on a Board approved Leave of Absence from 23 January 2024 until 31 July 2024. Since his return from the leave of absence, he has remained a member of the Board, F&AC and Nom C.
3. Margie Haseltine was appointed as a Non-Executive Director and member of the Nom C and the R&SC on 1 September 2023. Margie was appointed as Chair of the R&SC in January 2024 when Rob Gordon's leave of absence commenced and she has remained in this position.
4. Jackie McArthur retired from the Board at the conclusion of the Company's 2023 AGM held on 7 November 2023. This included retiring as Chair of the R&SC and as a member of the Nom C and P&RC.

## DIRECTORS' REPORT (CONTINUED)

In addition to the formal meetings of the Board and its Committees, Directors attended seven Board calls plus ad-hoc meetings to deal with urgent or out-of-cycle matters. Members of the Board also conducted in-person visits to Company operations at various sites and met with operational management during the year.

### GROUP LEGAL COUNSEL AND COMPANY SECRETARY

#### Marta Kielich, Bachelor of Laws (Honours), Bachelor of Commerce

Marta joined Inghams on 24 July 2023. Marta has more than 15 years' listed company experience providing legal counsel, company secretarial and governance support at companies including City Chic Collective, 3P Learning, Origin Energy and the Australian Securities Exchange. She is a Fellow of the Governance Institute of Australia, a Member of the Australian Institute of Company Directors and a Member of the Law Society of NSW.

### CHIEF FINANCIAL OFFICER AND COMPANY SECRETARY

#### Gary Mallett, Chartered Accountant, Bachelor of Business (Accounting)

Gary joined Inghams in 2019. He is responsible for the Company's financial management and reporting, treasury, investor relations, company secretarial and legal, risk management, procurement, property management, mergers and acquisitions, and information technology.

Gary has more than 30 years' experience in various senior finance roles with ASX-listed companies, including Brambles Limited and Origin Energy Limited. Before joining Inghams, he was Chief Financial Officer at Senex Energy Limited. He also serves as Secretary and Director of several Inghams Group Limited subsidiary companies.

### PRINCIPAL ACTIVITIES

The principal activities of the Group during the year consisted of the production and sale of chicken and turkey products across its vertically integrated free-range, value enhanced, primary processed, further processed and by-product categories. Additionally, stockfeed was produced primarily for internal use but also for the poultry and pig industries.

### CORPORATE STRUCTURE

Inghams is a company limited by shares that is incorporated and domiciled in Australia. Details of all companies in the Group are outlined in note 22 to the Financial Statements.

### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the nature of the Group's activities during the year.

### DIVIDENDS

An interim fully franked dividend of 12.0 cents per share totalling \$44.6 million was paid on 5 April 2024 (FY23: 4.5 cents per share totalling \$16.7 million).

Subsequent to the year end, a final fully franked dividend of 8.0 cents per share has been declared totalling \$29.7 million (FY23: 10.0 cents per share totalling \$37.2 million) to be paid on 9 October 2024. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in the subsequent financial report.

The full year fully franked dividend of 20.0 cents per share (FY23: 14.5 cents per share), represents a payout ratio of 73.1%, at the mid range of the 60-80% payout range of Underlying Net Profit After Tax (NPAT).

### SIGNIFICANT EVENTS AFTER THE BALANCE DATE

Subsequent to the year end, on 1 July 2024, Inghams completed the acquisition of Bostock Brothers Limited business in New Zealand (refer to note 28).

Other than the dividend declaration and the matter noted above, the directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that significantly affected or may significantly affect the operations or financial results of the Group subsequent to year end.

## DIRECTORS' REPORT (CONTINUED)

### ENVIRONMENTAL REGULATION

The Group is subject to particular and significant environmental regulations.

Inghams seeks to be compliant with all applicable environmental laws and regulations relevant to its operations in Australia and New Zealand. We monitor operations' environmental controls on a regular basis, to minimise the risk of non-compliance. We engage regularly with all relevant authorities.

The Group takes its environmental obligations seriously and has had an environmental policy in place for more than 30 years. The policy provides the framework for a comprehensive management strategy that is integrated with overall business strategy and ensures individual sites are managed in a consistent way to a high standard.

The policy contains a commitment to protecting the environment including:

- Development of an environmental management system integral to overall management;
- Prevention of pollution and carbon management;
- Water, energy and material conservation;
- Continuous environmental improvement; and
- Working towards sustainability internally and with the supply chain.

It includes requirements for each site to develop and implement a site-specific environmental management plan (EMP), aligned to ISO14001:2015 standard requirements, with the following objectives:

- Compliance with applicable legal and other requirements;
- Identification of environmental impacts of our activities, products and services;
- Procedures for managing activities with a potential to impact the environment;
- Continuous environmental improvement through setting and reviewing specific objectives and targets; and
- Clear responsibilities and accountability.

It also outlines the annual self-assessment and the periodic environmental review processes.

The Group is subject to legislation including but not limited to:

- Planning and Environmental Protection legislation and policies relevant to each state of Australia and New Zealand;
- Each site has the required environmental protection licence or resource consent; and
- The EMP contains a list of the applicable legislation for each site.

In FY24 Inghams incurred two fines at operated assets in relation to non-compliance with environmental laws and regulations, the total amount payable is less than AU\$0.1 million. One of the incidents was a historical incident from FY21, with enforcement finalised in FY24. The other occurred during the reporting period.

### DIRECTORS' INTERESTS

The relevant interest of each director in the shares and rights over such instruments issued by the companies within the Group, as notified by the directors to the Australian Securities Exchange (ASX) in accordance with s205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

	ORDINARY SHARES	PERFORMANCE RIGHTS
Helen Nash	91,953	–
Rob Gordon	45,772	–
Margaret Haseltine	–	–
Michael Ihlein	45,455	–
Timothy Longstaff	29,850	–
Linda Bardo Nicholls, AO	55,846	–
Andrew Reeves	44,563	2,168,140

## SHARE OPTIONS

### Performance rights

Executive Key Management Personnel (KMP) and senior executives are invited annually to participate in a three-year Long-Term Incentive Plan (LTIP), awarded in share rights with these share rights being performance based and only vesting if minimum performance hurdles are met. The share rights do not attract voting rights or entitle the holder to receive dividends.

In addition, Executive KMP and certain senior executives have a portion of any actual Short-Term Incentive Plan (STIP) award deferred into share rights, that are required to be held for a period of 12 months before vesting into shares. No performance conditions exist for these share rights to vest and they are time-based vesting on the completion of the service period.

Share rights outstanding at the end of the year have the following expiry dates and exercise prices (where relevant):

GRANT DATE	EXPIRY DATE	2024		2023	
		EXERCISE PRICE	NUMBER OF RIGHTS	EXERCISE PRICE	NUMBER OF RIGHTS
21 February 2024	01 July 2026	–	1,927,849	–	–
15 September 2023	15 September 2024	–	295,525	–	–
21 June 2023	01 July 2025	–	2,144,169	–	2,323,507
17 November 2022	19 August 2025	–	367,015	–	367,015
27 September 2022	19 August 2025	–	193,830	–	193,830
05 November 2021	01 July 2024	–	1,220,769	–	1,401,302
10 June 2021	01 July 2023	–	–	–	814,815
01 September 2020	31 July 2023	–	–	–	15,031
<b>Total Rights Outstanding</b>			<b>6,149,157</b>		<b>5,115,500</b>

Included in the below table are rights outstanding to the following directors and officers of the company and the Group as at the date of the report:

NAME OF OFFICER	DATE GRANTED	NUMBER OF RIGHTS
Andrew Reeves	21 February 2024	546,265
Andrew Reeves	15 September 2023	158,373
Andrew Reeves	21 June 2023	688,152
Andrew Reeves	17 November 2022	367,015
Andrew Reeves	05 November 2021	408,335
Gary Mallett	21 February 2024	138,292
Gary Mallett	15 September 2023	26,765
Gary Mallett	21 June 2023	180,907
Gary Mallett	27 September 2022	193,830
Gary Mallett	05 November 2021	112,601

No options were granted to the directors or officers of the company since the end of the financial year.

For personal use only

## DIRECTORS' REPORT (CONTINUED)

### INDEMNITIES AND INSURANCE OF OFFICERS AND AUDITORS

#### Indemnities

Inghams constitution indemnifies each officer of Inghams and its controlled entities against a liability incurred by that person as an officer unless that liability arises out of conduct involving a lack of good faith. The constitution also provides that Inghams may make a payment to an officer or employee (by way of advance, loan or otherwise) for legal costs incurred by them in defending legal proceedings in their capacity as an officer or employee. Inghams has entered into a Deed of Access, Indemnity and Insurance with each director which applies during their term in office and after their resignation (except where a director engages in conduct involving a lack of good faith). Inghams constitution provides that it may indemnify its auditor against liability incurred in its capacity as the auditor of Inghams and its controlled entities. Inghams has not provided such an indemnity.

#### Indemnification and insurance of officers

During the reporting period and since the end of the reporting period, the consolidated entity has paid premiums in respect of a contract insuring directors and officers of the consolidated entity in relation to certain liabilities. The insurance policy prohibits disclosure of the nature of the liabilities insured and the premium paid.

### LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration required under section 307C of the *Corporation Act 2001* is included on page 95.

### NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, KPMG. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. This assessment has been confirmed to the Board by the Finance & Audit Committee.

KPMG received or are due to receive the following amounts for the provision of non-audit services:

	2024 \$000	2023 \$000
Other assurance services*	4	24
<b>Total non-audit services</b>	<b>4</b>	<b>24</b>

\* Other assurance services provided for FY24 relate to the compliance of bank covenants.

### ROUNDING OF AMOUNTS

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars, except where stated otherwise.

For personal use only

## OPERATING AND FINANCIAL REVIEW

### Non-IFRS measures

This Report contains both IFRS and non-IFRS information. Inghams believes that the presentation of certain non-IFRS measures, including EBITDA and EBIT provides useful information to recipients for assessing the underlying operating performance of the Company.

### Purpose

The purpose of the Operating and Financial Review (OFR) is to provide shareholders with information regarding the Group's performance, financial position and prospects. The OFR should be read in conjunction with the Financial Report on pages 96 to 142.

### Reconciliation of FY24 result

A reconciliation of the FY24 result, between the As Reported results and the Underlying Pre AASB 16 result is set out in table 5 on page 62 of this Report.

### 2024 Financial Year 53-week period

The 2024 financial year represents a 53-week trading period. The review of Inghams' FY24 financial performance in the Directors' Report is compared to the financial results for the previous (2023) financial year, which was a 52-week trading period.

**Table 1: Results for FY24 actual compared to FY23**

CONSOLIDATED INCOME STATEMENT	RESULT FY24 (53 WEEKS) ACTUAL \$000	RESULT FY23 (52 WEEKS) ACTUAL \$000	CHANGE \$000
Revenue	3,262,000	3,044,000	218,000
Cost of sales	(2,418,700)	(2,289,200)	(129,500)
<b>Gross profit</b>	<b>843,300</b>	<b>754,800</b>	<b>88,500</b>
Other income	300	3,200	(2,900)
Distribution expense	(195,400)	(185,300)	(10,100)
Administration and selling expense	(178,000)	(154,600)	(23,400)
Share of net profit of joint venture	900	400	500
<b>EBITDA</b>	<b>471,100</b>	<b>418,500</b>	<b>52,600</b>
Depreciation and amortisation	(244,300)	(268,200)	23,900
<b>EBIT</b>	<b>226,800</b>	<b>150,300</b>	<b>76,500</b>
Net interest expense	(83,700)	(77,200)	(6,500)
FX gain	100	1,000	(900)
<b>Net profit before tax</b>	<b>143,200</b>	<b>74,100</b>	<b>69,100</b>
Income tax expense	(41,700)	(13,700)	(28,000)
<b>Net profit after tax</b>	<b>101,500</b>	<b>60,400</b>	<b>41,100</b>

Inghams delivered a very strong FY24 result, with earnings and profit metrics showing strong growth on FY23, underpinned by a solid operating performance and growth in volume and net selling prices.

Core poultry volume increased 2.8% on the prior corresponding period, benefitting from a shift in Australia's channel mix to in-home dining from out-of-home channels, and a significant improvement in New Zealand operations as a result of a strong recovery in operational performance compared to FY23. Retail volumes experienced growth of 20.9KT as consumers responded to cost-of-living pressures by increasing the frequency of in-home dining, which was partially offset by a reduction in volumes in QSR and other out-of-home channels. Total Poultry volume growth was lower at 1.9%, due to a decline in external feed volumes.

Revenue increased 7.2% on the prior corresponding period to \$3.3B, driven by growth in both total poultry volume, and growth in core poultry net selling prices (NSP \$/kg) of 5.4% following price increases implemented in the second half of FY23 and during FY24 in response to the significant increase costs borne by the business due to the current inflationary environment.

## **OPERATING AND FINANCIAL REVIEW (CONTINUED)**

### **2024 Financial Year 53-week period (continued)**

Earnings before interest, tax, depreciation and amortisation (EBITDA) increased 12.6% on FY23 to \$471.1 million. Underlying EBITDA pre AASB 16 increased 30.8% to \$240.1 million, which is the highest reported result for the Company since listing in 2016. Net profit after tax (NPAT) increased 68.0% on the prior corresponding period to \$101.5 million.

Following a record half-year earnings result in the first half of FY24 with EBITDA pre AASB 16 of \$138.4 million, EBITDA pre AASB 16 declined in the second half of FY24 to \$101.7 million. There were several factors contributing to the lower second half performance; a volume reduction in second half due to normal seasonality; a firm Wholesale price with an average second half pricing lower than first half offset by a significant shift in channel mix toward in-home dining from out-of-home channels as consumers responded to cost-of-living pressures; lower processing volumes due to demand shift and temporary change in settings to address inventory levels and lower bird weights, partially offset by various cost saving initiatives implemented during the period.

Total costs within EBITDA increased by 6.2% (+\$165.4 million) on PCP. Internal feed costs increased \$10.1 million, while cost of sales increased \$129.5 million due to growth in volume and inflation and the impact of a reduction in grower contracts treated as AASB 16 Leases, partially offset by efficiencies and an improvement in operational performance. While the rate of cost inflation moderated during the period, higher cost growth was observed across salary & wages, utilities, husbandry, ingredients and repairs & maintenance. The increase in total costs on PCP includes \$19.0 million impact mainly in cost of sales from the conversion of a significant number of grower contracts from fixed to performance based variable contracts. As a result more grower contract costs are in costs within EBITDA rather than AASB 16 Leases costs of interest and depreciation. Employee costs increased during FY24, with increases in salaries and wage costs and the provision for short and long-term incentive costs in line with improved financial and operational results.

Net interest expense increased 8.5% on the prior corresponding period due to both higher interest rates, and a higher average debt balance during the year due to the various investments and acquisitions completed in FY24.

The underlying effective tax rate increased to 29.2% (2023: 21.9%). FY23 included the receipt of the FY21 R&D tax credit of \$8.5 million.

### **Segment results**

#### **Australia**

**Table 2a: Selected financial information for the Australia segment**

CONSOLIDATED INCOME STATEMENT	ACTUAL FY24 \$000	ACTUAL FY23 \$000	CHANGE \$000
Poultry Revenue	2,615,700	2,439,200	176,500
External Feed Revenue	144,400	158,100	(13,700)
<b>Revenue</b>	<b>2,760,100</b>	<b>2,597,300</b>	<b>162,800</b>
<b>EBITDA Segment</b>	<b>377,900</b>	<b>357,000</b>	<b>20,900</b>
EBITDA AASB 16	(182,500)	(210,800)	28,300
EBITDA Significant items	(2,100)	14,100	(16,200)
<b>EBITDA Pre AASB 16</b>	<b>193,300</b>	<b>160,300</b>	<b>33,000</b>

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### Segment results (continued)

#### New Zealand

**Table 2b: Selected financial information for the New Zealand segment**

CONSOLIDATED INCOME STATEMENT	ACTUAL FY24 \$000	ACTUAL FY23 \$000	CHANGE \$000
Poultry Revenue	439,600	381,800	57,800
External Feed Revenue	62,300	64,900	(2,600)
<b>Revenue</b>	<b>501,900</b>	<b>446,700</b>	<b>55,200</b>
<b>EBITDA Segment</b>	<b>93,200</b>	<b>61,500</b>	<b>31,700</b>
EBITDA AASB 16	(48,600)	(39,300)	(9,300)
EBITDA Significant items	2,200	1,100	1,100
<b>EBITDA Pre AASB 16</b>	<b>46,800</b>	<b>23,300</b>	<b>23,500</b>

In Australia, core poultry volumes grew 1.9% in FY24. The growth in core poultry volume performance reflects a shift in channel mix toward Retail, largely offsetting a decline in volume in QSR and other out-of-home channels as consumers responded to cost-of-living pressures through a shift to in-home dining options.

Revenue increased 6.3% on the prior corresponding period, driven by volume growth, a 5.3% increase in total poultry net selling prices in response to cost growth across the business, and a decline in external feed revenue of 8.6% due to the full year effect of the closure of the Wanneroo feedmill in April 2023.

Total costs (excluding AASB 16 and items excluded from underlying) increased 5.2%, driven by higher processing volumes and small increase in internal feed cost. Growth in other costs include the provision for short and long-term incentive costs related to improved financial and operating results, cyber security and IT investments, electricity, ingredients, and repairs and maintenance costs.

New Zealand core poultry volume grew by 8.4% versus the prior corresponding period, with volume growth reflecting a recovery in production as operations returned to a normal cadence following the significant disruptions experienced in prior periods due to labour and CO2 shortages. Cost-of-living pressures were also evident in New Zealand channel performance as consumers reduced expenditure on out-of-home dining in favour of in-home options.

New Zealand revenue increased 12.4% on the prior corresponding period, driven by core poultry volume growth and an increase of 4.8% in core poultry net selling prices, mainly reflecting the effect of FY23 increases. Total costs (excluding AASB 16 and items excluded from underlying) increased 7.5% versus the prior corresponding period. Internal feed cost declined due to a decline in international feed pricing, partially offset by the increase in volume, while growth in other costs was the result of higher promotion and brand related costs, distribution, labour, utilities, and repairs and maintenance costs.

### Balance Sheet

**Table 3: Selected consolidated statement of financial position for the year ended 29 June 2024**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	FY24 \$000	FY23 \$000	CHANGE \$000
Current assets	747,500	787,100	(39,600)
Non-current assets	1,652,500	1,787,200	(134,700)
<b>Total assets</b>	<b>2,400,000</b>	<b>2,574,300</b>	<b>(174,300)</b>
Current liabilities	693,300	718,000	(24,700)
Non-current liabilities	1,487,100	1,654,500	(167,400)
<b>Total liabilities</b>	<b>2,180,400</b>	<b>2,372,500</b>	<b>(192,100)</b>
<b>Net assets</b>	<b>219,600</b>	<b>201,800</b>	<b>17,800</b>

## **OPERATING AND FINANCIAL REVIEW (CONTINUED)**

### **Balance Sheet (continued)**

#### **Net Assets**

Current assets decreased \$39.6 million due to a \$34.0 million reduction in Trade and Other Receivables (note 8) due to an improvement in Debtor Days. Inventories increased by \$16.8 million on the prior corresponding period, due largely to an increase in both feed and processed poultry inventories during the period. Part of the increase in processed poultry inventories was to support improved customer service level performance, while Further Processed poultry inventories increased due to a softening in consumer demand in out-of-home channels including Quick Service Restaurants (QSR). During the second half of FY24, the Company implemented initiatives to reduce inventory levels compared to the level reported in the first half of FY24.

Non-current asset values have decreased \$134.7 million due to the reduction in the Right-of-use assets (note 12) of \$243.9 million, relating to the removal of the Bolivar lease following the acquisition of the property in December 2023, and the conversion of grower contracts from fixed to performance based variable contracts. Total capital expenditure and acquisitions during the period was \$168.3 million, following the Company's acquisition of the previously leased Bolivar Primary Processing facility in South Australia for \$76.0 million and Bromley Park Hatcheries for \$4.5 million (excluding working capital of \$2.1 million), and investments in automation equipment of \$21.4 million in addition to stay in business investment (\$64.4 million). As a result, Property, Plant and Equipment increased by \$100.5 million.

Two key network-related acquisitions were completed in FY24. Inghams acquired Bromley Park Hatcheries in New Zealand in October for NZ\$4.5 million (excluding working capital of \$2.1 million). As part of this acquisition, Inghams entered into a long-term lease with a third party for the land and facilities. In December, the Company completed the acquisition of the strategically important Bolivar Primary Processing facility in South Australia for \$75.6 million (excluding acquisition costs).

In January 2024, the new distribution centre in Hazelmere, WA, became operational. The Hazelmere DC is the third of a three-facility DC investment program and is expected to provide significant operational efficiencies as we supply fresh and frozen chicken to Western Australia.

Current Liabilities decreased \$24.7 million due to a reduction in lease liabilities of \$7.3 million, driven by the Bolivar acquisition and grower contracts transitioning to variable.

Non-current liabilities decreased \$167.4 million due to a \$222.8 million reduction in lease liabilities driven by the Bolivar acquisition and grower contracts transitioning to variable partially offset by an increase in borrowings of \$59.8 million due to the drawdown of Facility C of \$60.0 million.

**Table 4: Consolidated net debt**

NET DEBT	FY24 \$000	FY23 \$000
Bank loans	(460,000)	(400,000)
Capitalised loan establishment fees included in borrowings	1,400	1,200
<b>Total borrowings</b>	<b>(458,600)</b>	<b>(398,800)</b>
Less: Cash and cash equivalents	110,700	136,300
<b>Net debt</b>	<b>(347,900)</b>	<b>(262,500)</b>

#### **Net debt**

Net debt increased \$85.4 million versus the prior corresponding period to \$347.9 million due to the various processing equipment, business and property acquisitions completed during the period. Leverage remained stable at 1.5 times versus the prior corresponding period and is comfortably within our target range of 1.0 to 2.0 times Underlying EBITDA pre AASB 16.

Cash flow from operations was \$418.5 million for FY24, an increase of \$59.5 million versus the prior corresponding period, reflecting higher EBITDA and improved cash conversion. The Company's cash conversion ratio increased 7.3 percentage points versus the prior corresponding period to 97.7%, reflecting strong cash collection during the period.

## DIRECTORS' REPORT (CONTINUED)

### OPERATING AND FINANCIAL REVIEW (CONTINUED)

#### Reconciliation of results as reported to underlying (Pre AASB 16)

Table 5: Results for FY24

CONSOLIDATED INCOME STATEMENT	REPORTED ACTUAL \$000	EXCLUDED FROM UNDERLYING \$000	UNDERLYING ACTUAL \$000	AASB 16 IMPACT \$000	UNDERLYING (PRE AASB 16) \$000
Revenue	3,262,000	–	3,262,000	–	3,262,000
Cost of sales	(2,418,700)	–	(2,418,700)	(208,300)	(2,627,000)
<b>Gross profit</b>	<b>843,300</b>	<b>–</b>	<b>843,300</b>	<b>(208,300)</b>	<b>635,000</b>
Other income	300	–	300	–	300
Distribution expense	(195,400)	–	(195,400)	(17,700)	(213,100)
Administration and selling expense	(178,000)	100	(177,900)	(5,100)	(183,000)
Share of net profit of joint venture	900	–	900	–	900
<b>EBITDA</b>	<b>471,100</b>	<b>100</b>	<b>471,200</b>	<b>(231,100)</b>	<b>240,100</b>
Depreciation and amortisation	(244,300)	–	(244,300)	186,800	(57,500)
<b>EBIT</b>	<b>226,800</b>	<b>100</b>	<b>226,900</b>	<b>(44,300)</b>	<b>182,600</b>
Net interest expense	(83,700)	–	(83,700)	55,100	(28,600)
FX gain	100	–	100	–	100
<b>Net profit before tax</b>	<b>143,200</b>	<b>100</b>	<b>143,300</b>	<b>10,800</b>	<b>154,100</b>
Income tax expense	(41,700)	–	(41,700)	(3,200)	(44,900)
<b>Net profit after tax</b>	<b>101,500</b>	<b>100</b>	<b>101,600</b>	<b>7,600</b>	<b>109,200</b>

Table 6: Results for FY23

CONSOLIDATED INCOME STATEMENT	REPORTED ACTUAL \$000	EXCLUDED FROM UNDERLYING \$000	UNDERLYING ACTUAL \$000	AASB 16 IMPACT \$000	UNDERLYING (PRE AASB 16) \$000
Revenue	3,044,000	–	3,044,000	–	3,044,000
Cost of sales	(2,289,200)	–	(2,289,200)	(224,800)	(2,514,000)
<b>Gross profit</b>	<b>754,800</b>	<b>–</b>	<b>754,800</b>	<b>(224,800)</b>	<b>530,000</b>
Other income	3,200	–	3,200	–	3,200
Distribution expense	(185,300)	–	(185,300)	(20,600)	(205,900)
Administration and selling expense	(154,600)	15,200	(139,400)	(4,700)	(144,100)
Share of net profit of joint venture	400	–	400	–	400
<b>EBITDA</b>	<b>418,500</b>	<b>15,200</b>	<b>433,700</b>	<b>(250,100)</b>	<b>183,600</b>
Depreciation and amortisation	(268,200)	–	(268,200)	214,000	(54,200)
<b>EBIT</b>	<b>150,300</b>	<b>15,200</b>	<b>165,500</b>	<b>(36,100)</b>	<b>129,400</b>
Net interest expense	(77,200)	–	(77,200)	53,300	(23,900)
FX gain	1,000	–	1,000	–	1,000
<b>Net profit before tax</b>	<b>74,100</b>	<b>15,200</b>	<b>89,300</b>	<b>17,200</b>	<b>106,500</b>
Income tax expense	(13,700)	(4,500)	(18,200)	(5,100)	(23,300)
<b>Net profit after tax</b>	<b>60,400</b>	<b>10,700</b>	<b>71,100</b>	<b>12,100</b>	<b>83,200</b>

In relation to the AASB 16 impact, the reduction in EBITDA of \$19.0 million from FY23 is due to the disposal of the Bolivar lease due to the acquisition of the property along with the conversion of contract growers from fixed to performance based variable contracts.

Interest increased \$1.8 million due to higher incremental borrowing rates at inception of new leases which included two replacement Distribution Centres.

The AASB 16 impact on NPAT is reducing, predominantly due to contract growers transitioning to performance based variable contracts and no longer recognised as Right of Use Asset and Lease Liability.

For personal use only

## DIRECTORS' REPORT (CONTINUED)

### OPERATING AND FINANCIAL REVIEW (CONTINUED)

#### Reconciliations – statutory to underlying

The items outlined below have been tax effected to determine an underlying Net Profit After Tax (NPAT) to allow shareholders to make a meaningful comparison of the Group's underlying NPAT performance against prior year.

**Table 7: Reconciliation of EBITDA to Underlying EBITDA**

CONSOLIDATED EBITDA (\$000)	NOTE	FY24 ACTUAL	FY23 ACTUAL
<b>Revenue</b>		<b>3,262,000</b>	<b>3,044,000</b>
<b>EBITDA</b>		<b>471,100</b>	<b>418,500</b>
Restructuring <sup>1</sup>		100	1,500
Business transformation <sup>2</sup>		–	16,700
Property reassignment <sup>3</sup>		–	(3,000)
<b>Underlying EBITDA</b>		<b>471,200</b>	<b>433,700</b>
AASB 16 impact on EBITDA		(231,100)	(250,100)
<b>Underlying EBITDA pre AASB 16</b>		<b>240,100</b>	<b>183,600</b>

1. In FY24, AU relates to the net lease liability release and fair value gain from the Bolivar acquisition. NZ is the Bromley and Bostock Acquisition related costs. In FY23 this relates to the removal of restructuring expenses.
2. Removal of business transformation costs associated with the scope and design of the now deferred ERP program.
3. Removal of the gain on assignment of property sublease (Cleveland, QLD).

**Table 8: Segment split of items excluded from Underlying EBITDA**

EBITDA IMPACT (\$000)	NOTE	FY24 ACTUAL	FY23 ACTUAL
Australia		(2,100)	14,100
New Zealand		2,200	1,100
<b>EBITDA impact</b>		<b>100</b>	<b>15,200</b>

For personal use only

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**Material business risks**

Inghams is exposed to a range of strategic, and operational risks associated with operating a vertically integrated poultry company. Robust governance and risk management processes are in place to support the effective management of these risks.

Inghams has a comprehensive enterprise risk management framework which incorporates a 'three lines of defence' approach, which provides a sound basis for managing material risks. Risk appetite statements have been updated with the Board and are challenged and monitored during the year. In addition, strategic and emerging risk reports and material operational risk 'deep dive' reports are regularly tabled to Inghams Risk & Sustainability Committee.

Material business risks faced by the Group that may have a significant effect on the financial prospects of the Group include:

**Strategic Risks:**

RISK	IMPLICATION	MITIGATING ACTIONS
<b>Changes in poultry demand and supply impacting poultry pricing due to regulation or social change</b>	Any material increase in the supply of chicken in the Australian and New Zealand markets that exceeds the increase in demand could lead to an oversupply of chicken, which may result in reduced prices, negatively affecting Inghams financial performance.	<ul style="list-style-type: none"> <li>• We participate in a competitive market involving a number of suppliers of chicken products in Australia and New Zealand.</li> <li>• We carefully plan and manage our poultry flock numbers, and network capacity to match expected demand over the short term and long-term.</li> <li>• We maintain access to domestic wholesale and export markets to help manage supply excesses.</li> <li>• We monitor local and global consumption macro-economic trends.</li> </ul>
<b>Import restrictions</b>	<p>Changes to import or quarantine conditions in Australia and/or New Zealand that would allow additional forms of poultry to be imported could result in changes to the poultry market that would adversely impact Inghams financial performance.</p> <p>New Zealand currently relies on imported feed. If imports were restricted, this would raise grain commodities/feed costs in New Zealand and potentially make farming unviable.</p>	<ul style="list-style-type: none"> <li>• We contribute or respond to research on the topic of poultry food safety and disease.</li> <li>• Close monitoring of trade policy, and advocacy via industry bodies.</li> </ul>
<b>Customer volumes or mix</b>	A change in the volume or mix of Inghams business could negatively impact its operational or commercial performance.	<ul style="list-style-type: none"> <li>• We have embedded a commercial strategy that is focused on strengthening core customer relationships, and sustainably building new business in order to strengthen and diversify revenue streams and improve product mix over time.</li> <li>• We conduct reviews of our integrated supply network from time to time to partner our customers strategic business plans over time.</li> <li>• Refer to "Customer Relationships" on subsequent pages.</li> </ul>
<b>Assets stranded geographically or due to new business models/technology</b>	Inghams may be locked into long-dated leases that do not align with future operating requirements and/or the economic life of the assets.	<ul style="list-style-type: none"> <li>• Inghams base network plan has been developed in light of long-term forecast demand (at least 5 years), to make the best use of existing assets, and to provide substantial lead time to plan and manage our network footprint.</li> </ul>

For personal use only

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**Material business risks (continued)**

Operational Risks:

RISK	IMPLICATION	MITIGATING ACTIONS
<b>Food safety and disease outbreak</b>	<p>Poor product quality or unsafe products and processes may potentially result in injury, harm or illness to consumers, claims, regulatory impacts and significant reputational damage.</p> <p>Outbreak of an avian disease in Inghams flocks or within the same geographic regions may affect the use and transportation of the affected stock and disrupt supply causing financial loss.</p> <p>If products of Inghams or a competitor became unsafe or were perceived as being unsafe, reduced demand for poultry products could follow.</p>	<ul style="list-style-type: none"> <li>• We have a food safety and quality governance framework and dedicated quality and food safety staff across the business to meet both mandatory and internal food safety requirements.</li> <li>• Inghams is certified to British Retail Consortium (BRC) Food Safety Issue for the processing sites and BRC Storage and Distribution Issue 4 for the Distribution Centres with an overall rating of AA across all Australia and New Zealand sites. This is a Global Food Safety Initiative (GFSI) world class standard.</li> <li>• Inghams is also certified to Customer Owned Standards for both Retail outlets and Quick Service Restaurants.</li> <li>• Procedures are in place as to how we effectively manage, handle, store, recall and withdraw products.</li> <li>• Our competitive landscape is monitored in Australia and New Zealand for immediate impacts to our poultry demand and the global context continues to be monitored.</li> <li>• Our Product Pride program involves quality assurance, training and awareness across the whole supply chain.</li> <li>• High biosecurity measures are in place to control the risk of infections on our sites.</li> <li>• We have documented procedures which are regularly reviewed to manage and minimise the impact should an avian disease outbreak occur.</li> </ul>

For personal use only

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**Material business risks (continued)**

RISK	IMPLICATION	MITIGATING ACTIONS
<b>Animal welfare and bird supply failure</b>	<p>Poor animal welfare practices or industry activism could result in significant reputational damage for Inghams and the poultry industry more broadly.</p> <p>As a vertically integrated company, our farming supply chain can be impacted by availability of great grandparent stock and breeder or broiler performance issues.</p>	<ul style="list-style-type: none"> <li>• Our commitment to high animal welfare standards is underpinned by comprehensive programs developed in collaboration with international animal welfare experts, customers and regulatory authorities.</li> <li>• We hold accreditations with the Royal Society for the Prevention of Cruelty to Animals. In Australia this is the Approved Farming Scheme (RSPCA Approved), and the Animal Welfare Certified Scheme (SPCA Certified) for all of our New Zealand Farms.</li> <li>• We maintain a close relationship with our great grandparent bird stock supplier to understand breeder stock availability and performance trends. Inghams has comprehensive protocols and procedures that cover farm management and biosecurity. Close oversight of breeder and broiler farms enables us to verify that farms are meeting our standards and ensures we can respond promptly to mitigate the impact of any flock performance issues. We aim to maintain a sufficient egg stock buffer to respond to breeder or broiler performance issues.</li> </ul>
<b>Climate change and feed input costs</b>	<p>If feed ingredients supply is reduced following a prolonged period of drought, higher feed prices may arise from lower production levels resulting in higher input costs for Inghams.</p> <p>Feed prices can also be impacted by events outside of drought, such as floods and fires as well as international supply shortages, creating challenges to the business to pass through rising costs.</p> <p>Exposures to physical and transition climate related risks are not effectively mitigated.</p>	<ul style="list-style-type: none"> <li>• Inghams national production footprint mitigates the risk of concentrated production in one region. In addition, the diversity of grain suppliers across the regions provides access to multiple grain supply chains, further mitigating the risk of grain shortages.</li> <li>• Input costs, including grain prices and pricing of other commodities, are managed through customer pricing negotiations as well as forward contracts.</li> <li>• Inghams 2030 Sustainability roadmap developed to manage climate related risks. This is supported by a robust governance framework to manage risk.</li> </ul>

For personal use only

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**Material business risks (continued)**

RISK	IMPLICATION	MITIGATING ACTIONS
<b>Plant failure and site security</b>	<p>A range of events, including natural disaster, fire, explosion and other force majeure related events, may result in the failure of one of our plants. Our plants include feed mills, primary processing plants and further processing plants.</p> <p>Site access remains a focus point for interruption at primary and secondary processing plants, farms and distribution centres which may impact on supply.</p>	<ul style="list-style-type: none"> <li>• We have a rolling program of regular site inspection of a plant's pressure vessels, boiler, gas supply and fire detection and response.</li> <li>• Inghams would address any loss of plant using its business continuity plans, disaster recovery and network planning. This would mean that spare or contingent capacity is identified at a group level to accommodate a loss of the largest site. There may be instances where our spare or contingent capacity is insufficient to cover the loss of plant.</li> <li>• Inghams continue to focus on contingency planning for all of its farms, production and distribution sites. This includes site and network level business continuity plans.</li> </ul>
<b>Customer relationships</b>	<p>The risk of reduced sales volumes, or a missed opportunity to increase sales volumes, across our customer network, could have a significant financial consequence for Inghams.</p>	<ul style="list-style-type: none"> <li>• We focus on delivering and exceeding our customer expectations.</li> <li>• We extend supply agreements to key customers to both mitigate the risk of loss of business and allow for effective network planning.</li> <li>• Inghams has a centralised customer complaints management process and network-wide tracking and remediation of outcomes arising from customer audits.</li> <li>• Quality assurance teams undertake comprehensive quality assurance testing of products prior to customer approvals.</li> </ul>
<b>Information asset failure and cyber</b>	<p>Information assets may fail, including denial of access as a result of a cyber attack, supplier incidents or human error, resulting in the inability to operate and support critical business processes.</p>	<ul style="list-style-type: none"> <li>• We continue to invest in our cyber security capability and controls, including business continuity plans. Processes are in place to continuously improve continuity plans and embed lessons learned as the threat landscape evolves.</li> <li>• We have a range of IT and IT security controls within an overarching IT risk management framework. We regularly test our disaster recovery plans and continue to roll out a cyber awareness program and have developed cyber specific security processes.</li> <li>• We have a forward-looking network-level strategy to refresh legacy information assets.</li> </ul>

For personal use only

**OPERATING AND FINANCIAL REVIEW (CONTINUED)**

**Material business risks (continued)**

RISK	IMPLICATION	MITIGATING ACTIONS
<b>Legal, regulatory and governance</b>	Our operations are subject to a range of legal and regulatory matters including work health and safety, food safety, consumer protection, competition and the environment.	<ul style="list-style-type: none"> <li>We have a range of policies, procedures and plans to help us manage our legal and regulatory compliance.</li> <li>Our Code of Conduct sets out the guiding principles for 'doing the right thing' and living up to our Purpose and Principles.</li> <li>We evaluate and respond to legal proceedings and claims, with our response correlated to the potential risk exposure.</li> <li>We monitor and engage with government and regulatory bodies on policy, regulatory compliance and impacts to the regulatory environment.</li> </ul>
<b>Business interruption, e.g. industrial action, labour resourcing and pandemic</b>	<p>Interruption to our operations can be caused by a range of issues including, but not limited to, natural disaster, supply chain, talent retention/ acquisition, industrial action and other regulatory incidents, loss of plant, cyber incident or IT system failure and pandemic/epidemic.</p> <p>Business interruptions could impact our operations, our partners and our employees and may cause business and reputational damage as well as significant financial impacts.</p>	<ul style="list-style-type: none"> <li>We monitor and respond to threats in the continuity of our operations.</li> <li>We undertake a range of business continuity exercises to test the ability of our business to respond effectively.</li> <li>We invest in our technology infrastructure and applications and regularly review our IT recovery plans to enhance our offsite back-up and recovery capabilities.</li> <li>We have embedded robust short and long-term planning processes to monitor, scenario plan and manage our business.</li> <li>We manage the effects of potential labour absenteeism or the challenges in retaining or sourcing staff for our business through workforce planning.</li> </ul>
<b>Environmental regulation and community</b>	<p>Our operations are subject to a range of environmental laws and regulations including,</p> <ul style="list-style-type: none"> <li>Planning and environmental protection legislation relevant to states in Australia and New Zealand.</li> <li>Environmental protection licences or resource consents which can change over time.</li> </ul> <p>Failure to adequately manage environment obligations could result in environmental impacts, community action, regulatory intervention and impact our licence to operate and reputation.</p>	<ul style="list-style-type: none"> <li>We have an environment policy which provides a framework for a comprehensive management strategy that is integrated in the overall business strategy.</li> <li>Site specific environmental management plans which are aligned to a format independently assessed against ISO14001:2015. Our plans include procedures for responding to community complaints.</li> <li>We monitor progress and make appropriate investments towards reaching our 2030 Sustainability Commitments.</li> </ul>

For personal use only

## **OPERATING AND FINANCIAL REVIEW (CONTINUED)**

### **Strategy and future prospects**

Our ambition is to be Australia and New Zealand's 'first choice for Poultry'. Our purpose and why we exist is to produce 'Deliciously good food, in the best way'. This purpose underpins our strategic objectives, and our commitment to making a positive difference. FY24 marked our third year on this journey to delivering that purpose and living the Inghams way and we believe Ambition and Purpose take time and shouldn't change.

Our strategy is focussed on growing returns over time, and we have progressed our framework in FY24 for how we achieve this across all critical aspects of our business:

#### **Our marketplace:**

- **Products:** We made further progress on crafting a brand and product portfolio that creates more value for our shareholders, Customers, employees and Inghams. SKUs like the Memphis BBQ Bird in Woolworths, Jacks Fried Chicken in Hungry Jacks and Hot and Crispy in KFC progressed our vision of value added and enhanced products. We also saw significant growth in Macro (Woolworths home brand) supply.
- **Customers:** We continue to elevate our customer relationships to be less transactional and more strategic, with a longer-term focus. We use best in class category management, deep consumer and shopper insights, data and analytics to ensure ongoing poultry category growth with and for our customers.

#### **Our workplace:**

- **Sustainability:** We continue to develop industry leadership in sustainable processes and practices, with clear progress outlined in our ESG report.
- **People:** We are still on our journey to create a constructive culture; inspiring people to develop themselves and give their best everyday.
- **Efficiency:** We made significant progress in continuous improvement across all parts of our business, delivering savings but more importantly, embedding the right behaviours.
- **Capability:** Investing behind critical manufacturing capabilities continued to support areas of growth for the business, efficiency improvement, and meet evolving marketplace needs.

This strategy is in year three of execution and will continue through the ongoing development of systems, processes and people. This includes systems that embed continuous improvement capability, engage integrated business planning, and that evolve and integrate key technology systems and processes.

## CHAIR OF THE PEOPLE AND REMUNERATION COMMITTEE

**On behalf of the Board of Directors, I am pleased to present our Remuneration Report for the 2024 financial year (FY24). The Report summarises Inghams Group Limited's (Inghams) remuneration strategy and outcomes for Executive Key Management Personnel (Executive KMP) and Non-Executive Directors.**

The Board continues to govern Inghams remuneration strategy and structure to support our purpose, ambition, values and behaviours with incentives to create value for our shareholders, customers and the community over the short, medium, and long-term. This structure includes an equity component that fosters a business-ownership approach for our senior leaders. It is underpinned by good governance, consultation with key stakeholders and alignment with the Company's business strategy.

### Our year

Inghams financial results in FY24 represents a record result for the Company. Key components with profit measures on an underlying basis were:

- Increasing Revenue 7.2% to \$3.26 billion;
- Increasing Earnings Before Interest Taxes, Depreciation and Amortisation (EBITDA) by 8.6% to \$471.2 million;
- Increasing pre AASB 16 EBITDA by 30.8% to \$240.1 million;
- Increasing Earnings Per Share (EPS) to 27.3 cents, a 68.0% increase;
- Leverage in the middle of the target range at 1.5x; and
- Increasing full-year dividends declared from 14.5 cents per share to 20.0 cents per share, a 37.9% increase.

As covered elsewhere in this annual report, in addition to the record financial outcome there was also significant progress during the year on the integration of Bromley Park in New Zealand, the implementation of mental health first aid training with frontline leaders having also completed mental health awareness training, and the completion of the FY22-FY24 Safety for Life Program.

I would like to thank our people in particular, and our leadership team for delivering improved profit performance and leading with care. We continue to keep our people safe while being agile in our operations to continuously deliver quality products to our customers.



### FY24 remuneration outcomes – short-term incentive plan (STIP) and long-term incentive plan (LTIP)

In FY24, there was a benchmarking process undertaken to assess Executive KMP remuneration. The Board determined there would be an increase of 4.2% to TFR for the CEO/MD, effective 1 September 2023, awarded to align to benchmarking market data. For the CFO, effective 1 July 2023, an adjustment for minimum superannuation guarantee contributions was made (an increase of 0.03%). For further information on TFR see page 80.

For the FY24 STIP, Inghams returned to the use of pre AASB 16 EBITDA, consistent with the financial performance measure used in FY22 and prior years, as the sole financial measure and increased the EBITDA measure to a weighting of 70% of the STIP scorecard. We removed the core poultry volume measure to reflect Inghams focus on higher margin value-added products as a profit driver, and to make way for an additional ESG measure. This additional ESG item adopted was a water consumption measure that recognises the importance of this precious resource to a business that uses 5.9 GL of water per annum.

Based on the overall company performance during the financial year, the FY24 STIP Balanced Scorecard outcome was 96 out of a possible 120. As a result, the individual final STIP outcome for Executive KMP was 64.0% of the maximum outcome for the CEO/MD and 64.0% of the maximum outcome for the CFO, with the balance for each participant forfeited, in line with our remuneration framework and policies. The Board did not exercise any discretion to alter the STIP outcome. For further information on the STIP outcomes see page 85.

For the FY22-FY24 LTIP, there was 33.29% vesting at the conclusion of this Plan. The performance of the Company on the relative Total Shareholder Return (TSR) measure was at the 58th percentile, which resulted in 66.58% TSR-based rights vesting for 50.0% of the LTIP scorecard, however, the Return on Invested Capital (ROIC) measure that is the other 50.0% of the LTIP scorecard was below the minimum levels required for vesting. For further information on individual Executive KMP see page 89 to 90.

In FY24, a benchmarking process was undertaken to assess Board Fees. The fee structure had remained unchanged since IPO in 2016, except for 2020 when the Committee fees were introduced. The Board determined there would be an increase to the Non-Executive Director Board fees and to fees of the fee-paying Committees, with no increase to the Chair's Board fees. For further information on Board fees see page 90.

**I WOULD LIKE TO THANK OUR PEOPLE IN PARTICULAR, AND OUR LEADERSHIP TEAM FOR DELIVERING IMPROVED PROFIT PERFORMANCE AND LEADING WITH CARE.**

**Update on short-term and long-term incentive plans**

In FY25 Inghams proposes to retain an unchanged 70% weighting and composition for the STIP financial measures with Environmental, Social and Governance (ESG) measures retained at 30%.

Inghams includes non-financial incentive measures in the STIP to support our commitment to delivering the ESG strategy. For FY25 Water Consumption, People Safety and

Food Safety (with a refined test definition) remain. The ESG measures are all subject to the safety and welfare modifier. In the event of a significant people or food safety or animal health and welfare incident the STIP payout on the ESG metrics, 30% of the award, may be reduced as low as nil.

The table below shows the FY24 and intended FY25 STIP scorecard.

METRIC		FY24	FY25
<b>Financial:</b> EBITDA (pre AASB 16)		70%	70%
<b>ESG (non-financials):</b>			
Environment: Water consumption		10%	10%
Social: People safety	Safety	10%	10%
Social: Food safety	Modifier	10%	10%
<b>Total</b>		<b>100%</b>	<b>100%</b>

Consistent with prior years, the FY25-FY27 LTIP will be based on Underlying pre AASB 16-based Return on Invested Capital (ROIC) and relative Total Shareholder Return (TSR) as the performance measures. The way in which ROIC is calculated will include a small change to adjust the interest component of the calculation to exclude the amount related to the inventory trade payable facility and make additional financial statement disclosure of this interest amount (not otherwise required to be separately disclosed) to enable independent calculation. As a guide, if that adjustment had applied to FY23 ROIC of 19.0%, it would have reduced this to 18.2%. The inventory trade payable facility is used for all feed purchased across Australia and New Zealand within the business. It is utilised for all feed purchases and only used for feed, not only because of management policy, which is overseen by the Board, but also because of the terms of the facility. This policy ensures that changes in facility utilisation cannot be used to vary the ROIC outcome. More information on this change and how it differs to previous calculations will be shared in the notice of meeting documents for 2024 AGM.

The Board retains the performance period of 3 years for the FY25-FY27 LTIP and will continue to evaluate the suitability of this period for future awards.

The Board is committed to ensuring the remuneration strategy reflects good governance and is transparent in its design to support the business strategy and drive sustainable out performance for shareholders over the short, medium and long-term.

On behalf of the Board, we invite you to read our report. We look forward to receiving your feedback at the Annual General Meeting (AGM).

Yours faithfully,



**Timothy Longstaff**  
Chair, People and Remuneration Committee

For personal use only

---

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT - AUDITED

#### Contents

1	Remuneration report overview	73
2	How remuneration is governed	73
3	Overview of company performance	75
4	Overview of executive remuneration	77
6	Other key information	90
7	Overview of non-executive director remuneration	90
8	Statutory and share-based reporting	91

For personal use only

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT – AUDITED (CONTINUED)

#### 1 Remuneration report overview

The Remuneration Report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

This Report covers Non-Executive Directors and Executive Key Management Personnel (Executive KMP) of Inghams who have the authority and responsibility for planning and controlling the activities of Inghams. The Executive KMP comprises the Chief Executive Officer and Managing Director (CEO/MD), and the Chief Financial Officer (CFO) (Executive KMP).

The table below outlines the Non-Executive Directors of Inghams and any movement during FY24.

NAME	POSITION	TERM
<b>Non-Executive Directors</b>		
Helen Nash	Non-Executive Chair	Full financial year
Linda Bardo Nicholls AO	Non-Executive Director	Full financial year
Rob Gordon	Non-Executive Director	Full financial year <sup>1</sup>
Margaret Haseltine	Non-Executive Director	Since 1 September 2023
Michael Ihlein	Non-Executive Director	Full financial year
Timothy Longstaff	Non-Executive Director	Full financial year
Jackie McArthur	Former Non-Executive Director	To 7 November 2023

1. Rob Gordon was on a Board approved leave of absence from 23 January 2024 to 31 July 2024.

The table below outlines the Executive KMP of Inghams and any movement during FY24.

CURRENT EXECUTIVE KMP	POSITION	TERM AS EXECUTIVE KMP
<b>Executive Director</b>		
Andrew Reeves	CEO/MD	Full financial year
<b>Senior executives</b>		
Gary Mallett	CFO	Full financial year

#### 2 How remuneration is governed

##### Remuneration decision making

The Board, People and Remuneration Committee, Executive KMP and Management work together to apply Inghams Remuneration Governance Framework (see below) and ensure our strategy supports sustainable shareholder value. Our Framework is designed to support our purpose, ambition, values and behaviours that underpin our strategy and long-term approach to creating value for our shareholders, customers and the community.

Inghams has several policies that govern the framework and promote responsible management and conduct. These policies include an Inclusion, Equity and Diversity Policy, Code of Conduct, Continuous Disclosure Policy and Securities Dealing Policy. Further information is available at: <http://investors.inghams.com.au>.

Membership of the People and Remuneration Committee during the period 25 June 2023 to 29 June 2024 included the following four independent Non-Executive Directors and chaired by an independent Non-Executive Director:

- Timothy Longstaff Independent Non-Executive Committee Chair (full financial year)
- Linda Bardo Nicholls AO Independent Non-Executive Committee Member (full financial year)
- Michael Ihlein Independent Non-Executive Committee Member (full financial year)
- Jackie McArthur Independent Non-Executive Committee Member (to 7 November 2023)

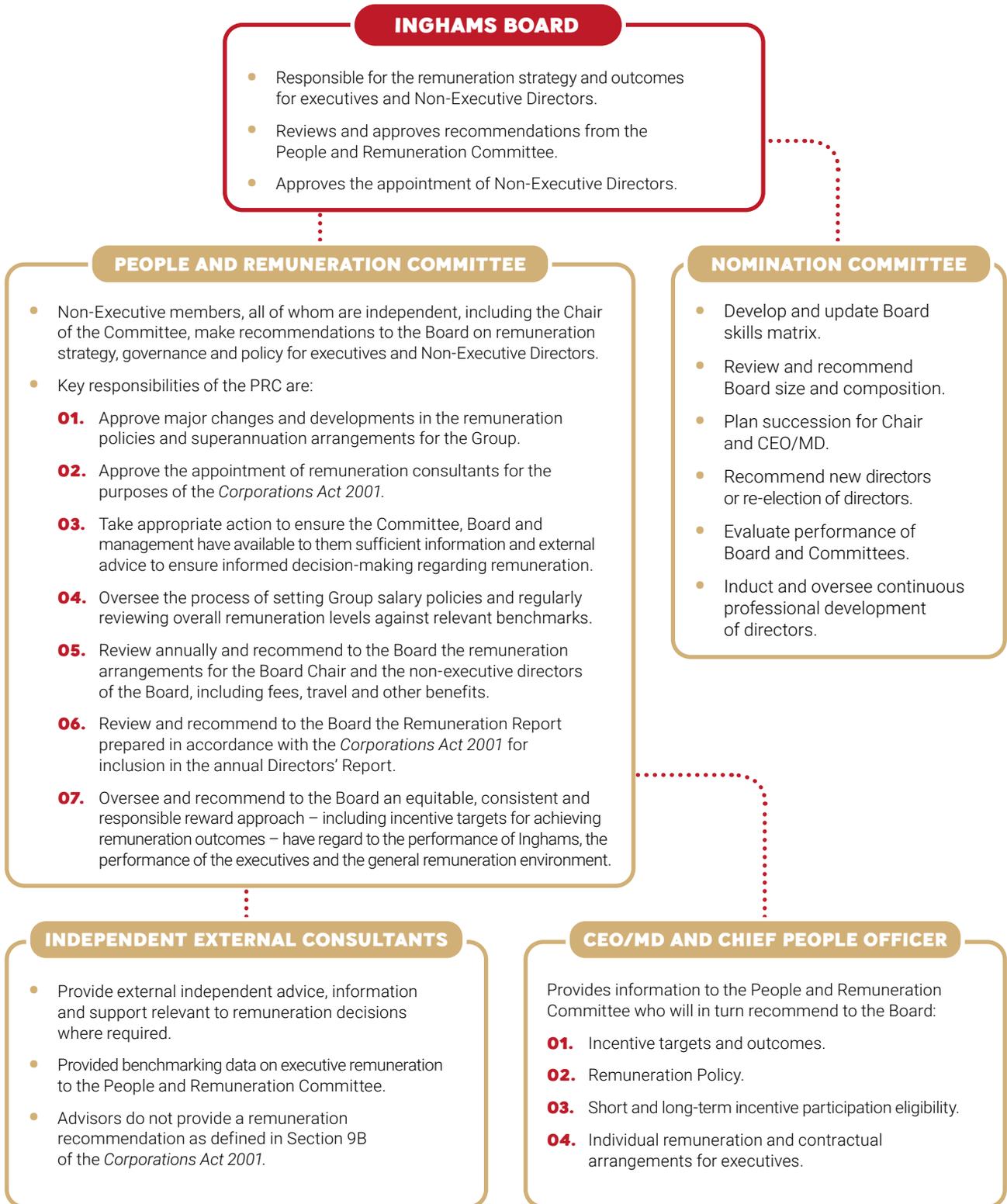
The Committee's Charter allows the Committee access to specialist external advice about remuneration structure and levels and is utilised periodically to support the remuneration decision making process.

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**2 How remuneration is governed (continued)**

**Remuneration Governance Framework**

For personal use only



## REMUNERATION REPORT – AUDITED (CONTINUED)

### 3 Overview of company performance

#### Overview of company performance



**UNDERLYING EBITDA  
PRE AASB 16**

**\$240.1M**  
IN FY24



**UNDERLYING NPAT  
PRE AASB 16**

**\$109.2M**  
IN FY24



**TSR**

**+2.5%**  
FROM FY22 TO FY24

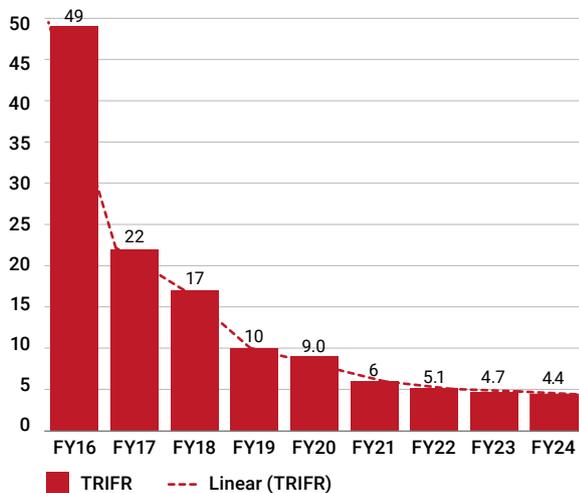
	FY24 REPORTED	FY24 UNDER- LYING <sup>1</sup>	FY23 REPORTED	FY23 UNDER- LYING <sup>1</sup>	FY22 REPORTED	FY22 UNDER- LYING <sup>1</sup>	FY21 REPORTED	FY21 UNDER- LYING <sup>1</sup>	FY20 REPORTED	FY20 UNDER- LYING <sup>1</sup>
Revenue (\$'000)	3,262,000	3,262,000	3,044,000	3,044,000	2,713,100	2,713,100	2,668,800	2,668,800	2,553,300	2,553,300
EBITDA (\$'000)	471,100	240,100	418,500	183,600	370,400	135,200	443,900	209,600	387,800	179,700
Profit after tax (\$'000)	101,500	109,200	60,400	83,200	35,100	57,100	83,300	101,200	40,100	78,800
Dividends per year (cents per share)	20.0	20.0	14.5	14.5	7.0	7.0	16.5	16.5	14.0	14.0
Movement in share price (dollars per share) <sup>2</sup>	0.97	-	0.03	-	(1.37)	-	0.79	-	(0.82)	-

1. Underlying pre AASB 16 excludes AASB 16 impact, the profit or loss on sale of assets, impairment, business transformation and restructuring charges. These items have been tax effected to determine an underlying Net Profit after Tax (NPAT) to allow shareholders to make a meaningful comparison of the Group's underlying NPAT performance against prior year. Underlying results are not calculated in accordance with accounting standards.
2. Movement in share price is calculated by taking the last price of the financial year compared to the previous last day of the financial year.

#### Non-financial company performance

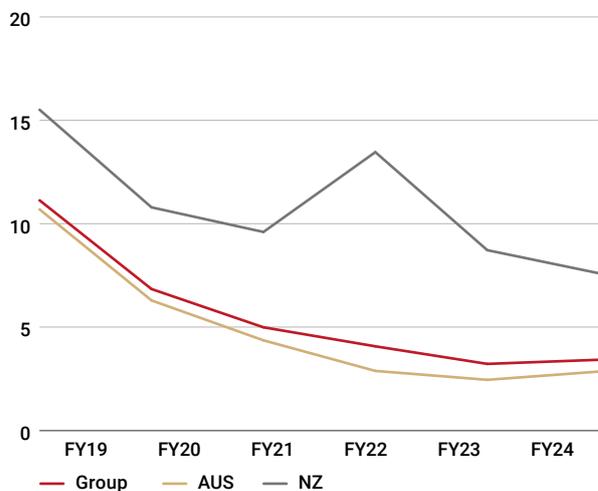
##### People Safety: Year-on-year TRIFR (unaudited)

TRIFR is the combined number of accepted lost time, and all medically treated injury claims per million hours worked.



##### Food Safety: Year-on-year CPmKg (unaudited)

Customer complaints per million kilograms (CPmKg).



For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**3 Overview of company performance (continued)**

**Five-year Total Shareholder Return (TSR) Performance (unaudited)**



**3.1 Actual Remuneration Table (non-statutory)**

The remuneration earned by each Executive KMP in FY24 and FY23 is set out below. This information is relevant as it provides shareholders with a view of the remuneration 'paid or vested' to executives in FY24 for performance. This information has not been prepared in accordance with the accounting standards and differs from the statutory tables presented on page 91.

	YEAR	FIXED REMUNERATION <sup>1</sup> \$000	STIP PAID <sup>2</sup> \$000	TOTAL CASH \$000	OTHER SHORT-TERM BENEFITS <sup>3</sup> \$000	STIP VESTED <sup>4</sup> \$000	LTIP VESTED <sup>5</sup> \$000	TOTAL ACTUAL REMUNERATION \$000
<b>CEO/MD</b>								
Andrew Reeves	2024	1,242	544	1,786	40	–	–	1,826
	2023	1,183	–	1,183	27	88	–	1,298
<b>Other Executive KMP</b>								
Gary Mallett	2024	708	214	922	–	–	–	922
	2023	672	–	672	–	69	–	741
<b>Total Actual 'Paid' Remuneration</b>	<b>2024</b>	<b>1,950</b>	<b>758</b>	<b>2,708</b>	<b>40</b>	<b>–</b>	<b>–</b>	<b>2,748</b>
	<b>2023</b>	<b>1,855</b>	<b>–</b>	<b>1,855</b>	<b>27</b>	<b>157</b>	<b>–</b>	<b>2,039</b>

1. Fixed remuneration entitlements include salary, superannuation, annual leave and sick leave entitlements.
2. STIP paid during the financial year. The amount disclosed for FY23 reflects the STIP paid in FY23 for FY22 performance. The amount disclosed for FY24 reflects the STIP paid in FY24 for FY23 performance.
3. Other short-term benefits include a company provided motor vehicle for the CEO/MD currently valued at \$39,512 per annum.
4. STIP vested represents the total value of deferred STIP rights in FY23 vested for FY22 performance.
5. LTIP vested represents the portion of the grant date fair value of share rights vested. The amount recognised is adjusted to reflect the expected number of instruments that will vest for non-market based performance conditions. No adjustment for non-vesting is made for failure to achieve the relative TSR performance hurdle, as this is taken into account in the fair value at grant date.

For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**4 Overview of executive remuneration**

**(a) How we determine executive remuneration policies and structures**

The Remuneration Governance Framework is designed to attract, motivate and retain high performing executives as well as to align executive remuneration with our purpose, ambition, values and behaviours so as to create value over the short, medium and long- term for our shareholders and other stakeholders. The remuneration of the Executive KMP and Executive Leadership Team (direct reports to the CEO/MD), is set on appointment to the role and reviewed annually. The People and Remuneration Committee oversees both fixed and total remuneration by considering a range of factors including experience, capabilities and performance in the role, relevant market data, talent availability and the role’s impact. The variable components of executive remuneration are closely linked to successful execution of strategic objectives, balancing delivery in both the short and long term and linking pay primarily to shareholder interests. The below table highlights the key principles supporting Inghams’ remuneration framework.

PRINCIPLE	OBJECTIVE	APPLICATION
<b>Competitive Remuneration</b>	Reward Executives competitively for their contributions to Inghams success, ensuring consistency with shareholder, community and consumer expectations.	<ul style="list-style-type: none"> <li>Total remuneration is based on the Executive’s capabilities and experience.</li> <li>Remuneration is benchmarked against appropriate peer companies and independent remuneration data from a variety of sources.</li> <li>The Board approves recommendations on total remuneration packages for the Executive Leadership Team.</li> </ul>
<b>Performance Driven</b>	Reward Executives for achieving business outcomes that support sustainable growth in shareholder value only when this is achieved through the expected behaviours.	<ul style="list-style-type: none"> <li>Variable rewards are intended to provide a robust link between remuneration outcomes and key drivers of long-term shareholder value.</li> <li>Variable rewards are designed to motivate strong performance against short-term and long-term performance objectives.</li> </ul>
<b>Behaviour Driven</b>	Reward Executives for Inghams’ performance when the manner in which this performance is achieved is aligned with Inghams purpose, values and expected behaviours. Only when we achieve our results through these expected behaviours will Inghams fully realise its strategic objectives.	<ul style="list-style-type: none"> <li>An Individual Multiplier has been applied to the STIP award to ensure the behaviours of each Executive are driven to create strong, sustainable performance for both the Company and shareholders. Our four values and 12 behaviours also help us to make better decisions, to achieve better outcomes and achieve our strategy.</li> <li>All incentive awards are subject to malus and claw-back provisions to ensure that no rewards are received by Executives where the outcomes are materially misaligned with our values, code of conduct or other circumstances detailed on page 88.</li> </ul>

For personal use only

## **REMUNERATION REPORT – AUDITED (CONTINUED)**

### **4 Overview of executive remuneration (continued)**

#### **(b) Our executive remuneration principles, policies and structures**

##### **Remuneration principles**

- Contribute to Inghams key strategic business objectives and desired business outcomes.
- Align the interest of employees with those of shareholders.
- Assist in attracting and retaining employees required to execute the business strategy by providing competitive remuneration and benefits.
- Manage risks in rewarding desired behaviours and balance of short and long-term focus.
- Deliver equal average pay for men and women within each job grade.
- Support Inghams' high-performance culture driven by desired leadership behaviours.
- Develop an ownership mindset.
- Be simple, clear and easily understood.

Inghams Executive remuneration consists of Total Fixed Remuneration (TFR), short-term incentives (with a deferral to rights component (called STIP)) and long-term incentives in the form of performance rights (called LTIP).

Non-Executive Directors do not have a variable performance related component to their remuneration, hence none of their remuneration is at risk.

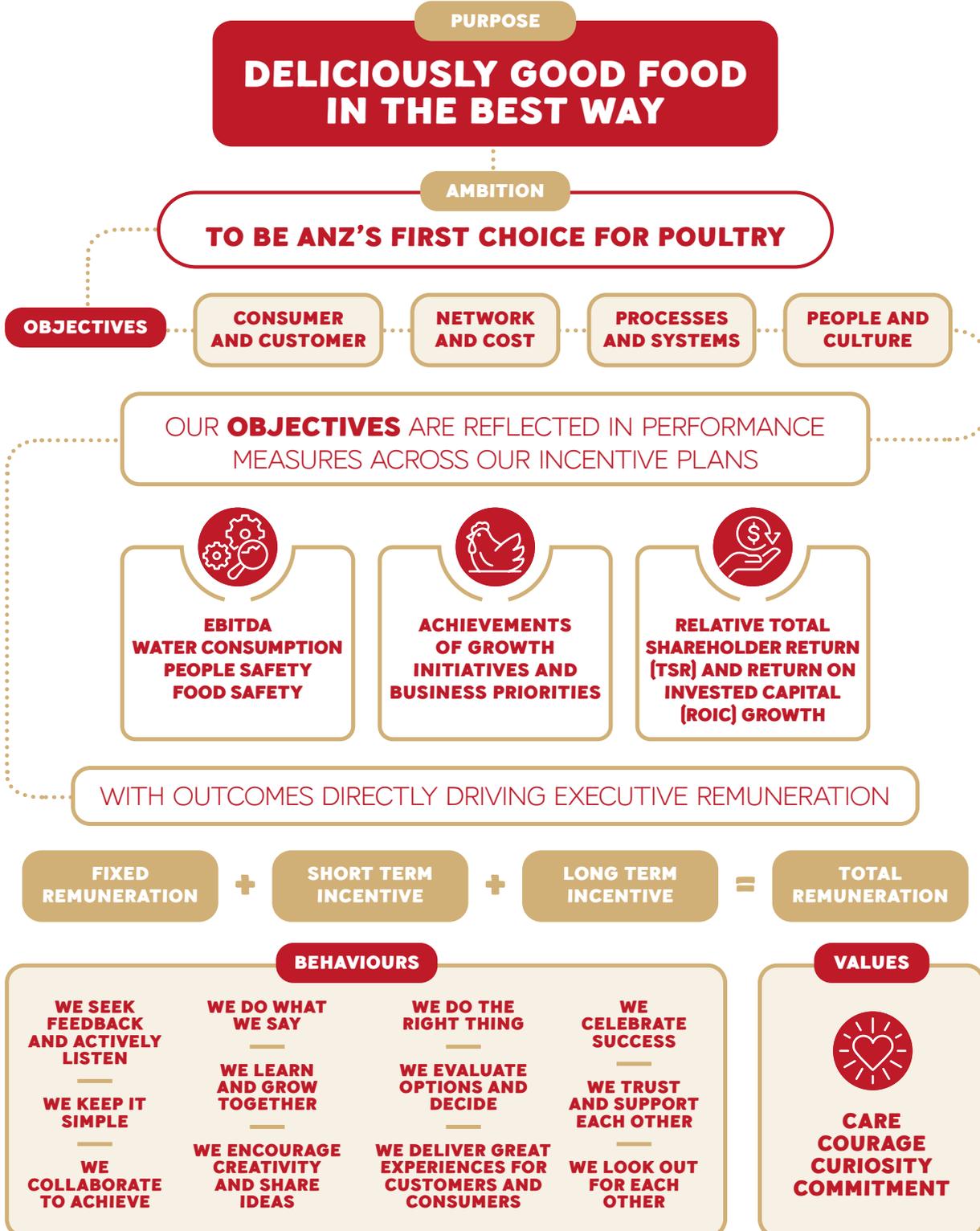
For personal use only

REMUNERATION REPORT – AUDITED (CONTINUED)

4 Overview of executive remuneration (continued)

Inghams FY24 remuneration strategy and framework

For personal use only



## REMUNERATION REPORT – AUDITED (CONTINUED)

### 4 Overview of executive remuneration (continued)

#### FY24 Short-Term Incentive Plan



#### FY24 – FY26 Long-Term Incentive Plan



#### Fixed to variable remuneration mix

The graphs below set out the remuneration mix for the CEO/MD and the other Executive KMPs at Inghams in FY24, illustrating the fixed and variable proportions of remuneration at target and maximum levels.

#### Executive KMP Remuneration Mix at Target

Role	TFR	STIP	LTIP
CEO/MD	36.4%	36.4%	27.2%
		50% Cash, 50% Deferred rights	Performance rights
CFO	54.1%	27.0%	18.9%
		70% Cash, 30% Deferred rights	Performance rights

#### Executive KMP Remuneration Mix at Maximum

Role	TFR	STIP	LTIP
CEO/MD	25.0%	37.5%	37.5%
		50% Cash, 50% Deferred rights	Performance rights
CFO	40.8%	30.6%	28.6%
		70% Cash, 30% Deferred rights	Performance rights

## 5 Executive remuneration framework and outcomes

### Total Fixed remuneration (TFR)

TFR is comprised of base salary, salary sacrificed items and employer superannuation contributions, in line with statutory obligations.

TFR is reviewed annually taking into consideration: performance and experience in role; organisational level; role and responsibilities; impact on the business; commercial outputs; market benchmarking; recognition of desired behaviours; and risk management.

In FY24, there was a benchmarking process undertaken to assess Executive KMP remuneration. The Board determined there would be an increase of 4.2% to TFR for the CEO/MD, effective 1 September 2023, awarded to align to benchmarking market data. For the CFO, effective 1 July 2023, an adjustment for minimum superannuation guarantee contributions was made (an increase of 0.03%).

INCUMBENT	POSITION	FY24 TFR	FY23 TFR	% CHANGE FROM FY23 TO FY24
Andrew Reeves	CEO/MD	\$1,250,000	\$1,200,000	4.2%
Gary Mallett	CFO	\$678,106	\$676,000	0.03%

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**5 Executive remuneration framework and outcomes (continued)**

**Short Term Incentive Plan (STIP)**

The STIP provides the Executive KMP and other senior members of the management team a cash or cash/equity incentive where specific outcomes have been achieved in the financial year. STIP payments are calculated as a percentage of total TFR and are conditional on achieving performance objectives against a key financial measure (underlying pre AASB 16 EBITDA), three non-financial ESG measures (Water Consumption, People Safety and Food Safety), and the individuals' overall performance to the achievement of our group strategic objectives.

**Key features of the FY24 STIP**

TERM	DESCRIPTION															
<b>Objective</b>	To reward participants for achieving strategic business objectives in a manner consistent with our purpose, ambition, values and behaviours.															
<b>Participants</b>	Executive KMP and invited senior management.															
<b>Performance Period</b>	Financial year ended 29 June 2024															
<b>Opportunity</b>	<table border="1"> <thead> <tr> <th>EXECUTIVE KMP</th> <th>ON TARGET</th> <th>MAXIMUM</th> </tr> </thead> <tbody> <tr> <td>CEO/MD</td> <td>100% of TFR</td> <td>150% of TFR</td> </tr> <tr> <td>CFO</td> <td>50% of TFR</td> <td>75% of TFR</td> </tr> </tbody> </table>	EXECUTIVE KMP	ON TARGET	MAXIMUM	CEO/MD	100% of TFR	150% of TFR	CFO	50% of TFR	75% of TFR						
EXECUTIVE KMP	ON TARGET	MAXIMUM														
CEO/MD	100% of TFR	150% of TFR														
CFO	50% of TFR	75% of TFR														
<b>Safety Modifiers</b>	<p>In the event of a significant people safety or food safety incident, (e.g. death, major injury, major loss of plant, consumer recall, etc.) the STIP payout on the safety metrics may be reduced to nil for all participants (20% of total balanced scorecard payout reduced to nil).</p> <p>Board retains discretion to make further adjustments to STIP payout based on individual accountability.</p> <p>To ensure any payout remains fully funded, the STIP pool modifier allows STIP payouts to be adjusted to remain within the available pool.</p>															
<b>Financial Measures (70% of balanced scorecard)</b>	<p>Inghams financial performance is measured by the Group's underlying EBITDA (pre AASB 16). Our underlying pre AASB 16 EBITDA (70% weighting) performance is measured at four levels.</p> <table border="1"> <thead> <tr> <th></th> <th>FULL YEAR TARGET</th> <th>% OF TARGET STIP</th> </tr> </thead> <tbody> <tr> <td>Below Threshold</td> <td>&lt;\$189.0 million</td> <td>0%</td> </tr> <tr> <td>Threshold</td> <td>\$189.0 million</td> <td>30%</td> </tr> <tr> <td>Target</td> <td>\$210.0 million</td> <td>100%</td> </tr> <tr> <td>Maximum</td> <td>\$231.0 million</td> <td>120%</td> </tr> </tbody> </table>		FULL YEAR TARGET	% OF TARGET STIP	Below Threshold	<\$189.0 million	0%	Threshold	\$189.0 million	30%	Target	\$210.0 million	100%	Maximum	\$231.0 million	120%
	FULL YEAR TARGET	% OF TARGET STIP														
Below Threshold	<\$189.0 million	0%														
Threshold	\$189.0 million	30%														
Target	\$210.0 million	100%														
Maximum	\$231.0 million	120%														

For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**5 Executive remuneration framework and outcomes (continued)**

TERM	DESCRIPTION																											
<b>ESG</b>  <b>Non-Financial Measures</b> <b>(30% of balanced scorecard)</b>	<p>The Board reviews the performance objectives against non-financial measures as these are key contributors to short, medium and long-term sustainable value creation for the Company, shareholders and other stakeholders. The non-financial measures ensure the business prioritises community and consumer expectations for ensuring the environmental impact and safety of our employees and our products and to maintain our reputation as a high-quality food producer.</p> <p><b>Water Consumption</b></p> <p>The environmental impact of our operations has on the environment that we operate in plays an important part of how we operate.</p> <p>Our Water Consumption (kilolitres of water consumed per tonne of production, kL/T) Year-On-Year Reduction (10% weighting) performance is measured at two levels.</p> <table border="1"> <thead> <tr> <th></th> <th>FULL YEAR TARGET</th> <th>% OF TARGET STIP</th> </tr> </thead> <tbody> <tr> <td>Target</td> <td>2.5% reduction on FY23A (2.92 kL/T)</td> <td>100%</td> </tr> <tr> <td>Maximum</td> <td>3.2% reduction on FY23A (2.90 kL/T)</td> <td>120%</td> </tr> </tbody> </table> <p><b>People Safety</b></p> <p>The safety of our people across the business, be it Inghams employees or contractors, is paramount to ensure we are conducting our business in the most ethical community-focused way. A safe and healthy workplace not only protects workers from injury and illness, it can also lower injury/illness costs, reduce absenteeism and turnover, increase productivity and quality, improve retention and raise employee morale. Our Group TRIFR (is the combined number of accepted lost time, and all medically treated injury claims per million hours worked) Year-On-Year (YOY) Reduction (10% weighting) performance is measured at two levels.</p> <table border="1"> <thead> <tr> <th></th> <th>FULL YEAR TARGET</th> <th>% OF TARGET STIP</th> </tr> </thead> <tbody> <tr> <td>Target</td> <td>5% reduction on FY23A (TRIFR of 4.51)</td> <td>100%</td> </tr> <tr> <td>Maximum</td> <td>7% reduction on FY23A (TRIFR of 4.42)</td> <td>120%</td> </tr> </tbody> </table> <p><b>Food Safety</b></p> <p>Reducing customer complaints is an organisational responsibility. Complaints have been selected as the STIP measure as the legal, reputational and financial implications have a direct impact on the company's performance, and therefore we ensure all facets of the business contribute to and are invested in a successful outcome.</p> <p>Our Customer Complaints (customer complaints per million kilograms CPmKg) YOY Reduction (10% weighting) performance is measured at two levels.</p> <table border="1"> <thead> <tr> <th></th> <th>FULL YEAR TARGET</th> <th>% OF TARGET STIP</th> </tr> </thead> <tbody> <tr> <td>Target</td> <td>5% reduction on FY23A (CPmKg of 3.06)</td> <td>100%</td> </tr> <tr> <td>Maximum</td> <td>7% reduction on FY23A (CPmKg of 3.00)</td> <td>120%</td> </tr> </tbody> </table>		FULL YEAR TARGET	% OF TARGET STIP	Target	2.5% reduction on FY23A (2.92 kL/T)	100%	Maximum	3.2% reduction on FY23A (2.90 kL/T)	120%		FULL YEAR TARGET	% OF TARGET STIP	Target	5% reduction on FY23A (TRIFR of 4.51)	100%	Maximum	7% reduction on FY23A (TRIFR of 4.42)	120%		FULL YEAR TARGET	% OF TARGET STIP	Target	5% reduction on FY23A (CPmKg of 3.06)	100%	Maximum	7% reduction on FY23A (CPmKg of 3.00)	120%
		FULL YEAR TARGET	% OF TARGET STIP																									
	Target	2.5% reduction on FY23A (2.92 kL/T)	100%																									
	Maximum	3.2% reduction on FY23A (2.90 kL/T)	120%																									
		FULL YEAR TARGET	% OF TARGET STIP																									
	Target	5% reduction on FY23A (TRIFR of 4.51)	100%																									
	Maximum	7% reduction on FY23A (TRIFR of 4.42)	120%																									
		FULL YEAR TARGET	% OF TARGET STIP																									
	Target	5% reduction on FY23A (CPmKg of 3.06)	100%																									
	Maximum	7% reduction on FY23A (CPmKg of 3.00)	120%																									

For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**5 Executive remuneration framework and outcomes (continued)**

TERM	DESCRIPTION
<b>Individual Multiplier</b>	<p>The Individual Multiplier is determined through the consideration of bespoke individual performance and behavioural factors. This multiplier serves to link an individual's overall performance to the achievement of our group strategic objectives (Balanced Scorecard) by an executive achieving specific individual objectives and behaving in line with our purpose, ambition, values and behaviours. Leading the business as a senior executive at Inghams is about both an individual's contribution to business performance and leading through the right behaviours. Our leaders' behaviour drives our culture and the right behaviours drive enhanced business performance.</p>
	<p><b>MULTIPLIER</b></p> <p><b>Rating:</b>                      Straight-line vesting from threshold performance to significant outperformance      <b>% Applied to Balance Scorecard Outcome</b>                      0% – 125%</p>
	<p>The Individual Multiplier enables an Executive KMP to achieve the maximum opportunity of the award, as without this, the maximum award an executive can receive is 120% of the target. The multiplier acts in a way that can both increase or decrease the total final award. Any Individual Multiplier below 100% of target will decrease the total award, while the inverse is also true. Three examples of how the multiplier works are provided below:</p> <ol style="list-style-type: none"> <li>100/120 scorecard outcome is multiplied by a 125/125 Individual Multiplier outcome = final outcome of 83% of maximum.</li> <li>100/120 scorecard outcome is multiplied by a 75/125 Individual Multiplier outcome = final outcome of 50% of maximum.</li> <li>40/120 scorecard outcome is multiplied by a 75/125 Individual Multiplier outcome = final outcome of 20% of maximum.</li> </ol> <p>In the first two circumstances, the scorecard outcome remains the same, however, the Individual Multiplier determines the final quantum of the STIP award.</p> <p>Any final STIP award is subject to the balanced scorecard outcome and modifiers before taking these calculations into consideration.</p>
<b>Deferral</b>	<p>50% of CEO/MD and 30% of other Executive KMP STIP payouts will be deferred into Inghams equity rights (Rights) for 12 months subject to a 12-month service condition.</p> <p>The deferred component supports increased share ownership and is a risk management lever to facilitate Malus policy application during the deferral period. An amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 92.</p>
<b>STIP Payment Method</b>	<p>CEO/MD = 50% is paid as cash and the other 50% is awarded as Rights.</p> <p>Other KMP = 70% is paid as cash and the other 30% is awarded as Rights.</p> <p>Rights are deferred for a period of 12 months from the STIP payment date, 15 September 2024. Following the deferral period, the Rights are converted into Inghams ordinary shares.</p> <p>Deferred Rights are equity grants which are not subject to any further performance conditions except continuous employment. The Rights will vest on 15 September 2025 and the fair value on the deferred Rights is calculated as the market price of Inghams shares traded on the ASX on grant date of the deferred Rights.</p> <p>The Rights carry no voting or dividend rights. Shares once allocated carry the same voting and dividend rights as all other Inghams ordinary shares.</p>
<b>Quantum of Rights</b>	<p>The final number of Rights awarded to each participant is calculated by dividing the face value of the deferred portion of their STIP award by the volume weighted average price (VWAP) of Inghams shares traded on the ASX in the 10 days after 23 August 2024 (the announcement date of Inghams FY24 annual results).</p>

For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**5 Executive remuneration framework and outcomes (continued)**

TERM	DESCRIPTION
<b>Discretion</b>	At all times, the Board may exercise discretion on STIP payments. Discretion will only be applied in a manner that aligns the experience of both the Company and shareholders. Any discretion applied will be disclosed and explained in the Remuneration Report.
<b>Change of Control</b>	<p>Under the Plan rules and the terms of the STIP awards, the Board may determine in its absolute discretion that some or all of the Executive KMP Deferred Rights will vest on a likely change of control.</p> <p>In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested Deferred Rights will immediately vest or cease to be subject to restrictions (as applicable).</p>
<b>Cessation of employment</b>	<p>The following are circumstances where the Rights will lapse or be forfeited, unless the Board determines otherwise:</p> <ul style="list-style-type: none"><li>• where an employee resigns or is dismissed for cause before the completion of the deferral period, or</li><li>• where a notice of resignation is given before the completion of the deferral period, even where employment will end after the completion of the deferral period, or</li><li>• if while during employment it is found that an employee has engaged in any misconduct, or serious breach of policy, or conduct that brings Inghams into disrepute, including where such conduct is discovered post the ending of employment and prior to the date the shares are awarded, or</li><li>• any other circumstance which in the Board's judgement warrants the Rights to be lapsed or forfeited.</li></ul> <p>Where an Executive KMP's exit is related to any other reason (e.g. retrenchment, bona fide executive retirement, or illness/death), the Executive usually remains eligible on a pro-rata basis where applicable (unless the Board determines otherwise) to be considered for a STIP award with regard to actual performance against performance measures (as determined by the Board in the ordinary course following the end of the performance period).</p>

For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**5 Executive remuneration framework and outcomes (continued)**

**STIP outcomes for FY24**

In determining the Executive KMP remuneration outcomes this year and how these outcomes will be delivered, the Board has considered the needs and expectations of various stakeholders, the business performance and the efforts undertaken by management. The Board has not exercised discretion on the STIP outcomes for FY24.

**FY24 Balanced Scorecard Outcome**

TYPE OF PERFORMANCE MEASURE AND WEIGHTING AT TARGET	EXECUTIVE KMP PERFORMANCE MEASURE	TARGETS	FY24 ACTUAL PERFORMANCE	SCORECARD OUTCOME
Group Financial <b>70% of balanced scorecard</b>	Group underlying EBITDA (pre AASB 16) <b>(70%)</b>	Threshold = \$189.0 million Target = \$210.0 million Maximum = \$231.0 million	Group underlying EBITDA (pre AASB 16) adjusted for Bolivar acquisition = \$237.8 million <sup>1</sup>	120% outcome achieved for EBITDA pre AASB 16
ESG Non-Financial Strategic Goals include <b>30% of balanced scorecard</b>	Environment	Water Consumption (kL/T) <b>(10%)</b> Target = kL/T of 2.92 Maximum = kL/T of 2.90	kL/T of 3.00	0% outcome achieved for Water Consumption
	Social	People Safety (TRIFR) <b>(10%)</b>	TRIFR of 4.41	Maximum 120% outcome achieved for People Safety
		Food Safety (Customer Complaints) <b>(10%)</b>	Target = CPmKg of 3.06 Maximum = CPmKg of 3.00	Customer complaints or a CPmKg of 3.42

1. Adjusted downwards for Bolivar acquisition. Reported group underlying EBITDA pre AASB 16 \$240.1 million.

**Overall FY24 STIP Outcome Calculation**

For the Executive KMP detailed below, the Board assessed that the results for both individual contribution to business performance and leading through the right behaviours for Andrew Reeves which resulted in a 100% out of a maximum of 125% outcome for the Individual Multiplier and for Gary Mallett resulted in a 100% out of a maximum of 125% outcome for the Individual Multiplier.

EXECUTIVE KMP	SCORECARD OUTCOME (% OF THE MAXIMUM SCORE)	INDIVIDUAL MULTIPLIER (% OF THE MAXIMUM SCORE)	OVERALL INDIVIDUAL STIP OUTCOME (APPLIED AGAINST MAXIMUM STIP)	OVERALL INDIVIDUAL STIP OUTCOME AS A % OF TFR
Andrew Reeves	96.0/120 = <b>80.0%</b>	100/125 = <b>80.0%</b>	80.0% multiplied by 80.0% = <b>64.0%</b>	<b>96.0% of TFR</b> awarded out of a <b>maximum of 150% of TFR</b>
Gary Mallett	96.0/120 = <b>80.0%</b>	100/125 = <b>80.0%</b>	80.0% multiplied by 80.0% = <b>64.0%</b>	<b>48.0% of TFR</b> awarded out of a <b>maximum of 75% of TFR</b>

For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**5 Executive remuneration framework and outcomes (continued)**

**FY24 STIP Awarded**

EXECUTIVE KMP	STIP TARGET – \$	STIP MAXIMUM – \$	TOTAL STIP AWARDED – \$ <sup>1</sup>	STIP CASH AWARDED – \$	STIP RIGHTS AWARDED – \$ <sup>2</sup>	FORFEIT AGAINST STIP MAXIMUM – \$	FORFEITED % AGAINST STIP MAXIMUM
Andrew Reeves	1,250,000	1,875,000	1,200,000	600,000	600,000	675,000	36.00%
Gary Mallett	339,053	508,580	325,491	227,844	97,647	183,089	36.00%

- Total STIP awarded at 64% of maximum.
- The estimated number of rights is calculated by dividing the face value of their award by the volume weighted average price (VWAP) of Inghams shares traded on the ASX in the 10 days after grant date.

**Long Term Incentive Plans**

**FY24-FY26 LTIP Offer**

The FY24-FY26 LTIP Offer has been made to the following current Executive KMP, receiving shareholder approval of 87.43% at the 2023 AGM. The below table outlines the key terms of the Offer:

<b>Eligibility to participate in LTIP Offer</b>	<p>Offers may be made at the Board's discretion to employees of Inghams.</p> <p>The FY24-FY26 LTIP Offer has been made to the following current Executive KMP, with the CEO &amp; MD subject to shareholder approval:</p> <ul style="list-style-type: none"> <li>Andrew Reeves (CEO/MD), (75% of TFR on Target and 150% of TFR at Maximum), and</li> <li>Gary Mallett (CFO), (35% of TFR on Target and 70% of TFR at Maximum)</li> </ul> <p>To calculate the on Target Total Remuneration LTIP component, the Threshold performance conditions are used.</p>
<b>Offers under the Plan</b>	The LTIP Offer is a grant of performance rights.
<b>Grant of Rights</b>	A Right entitles the participant to acquire an Inghams share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The Board retains the discretion to make a cash payment to participants on vesting of the Rights in lieu of an allocation of shares.
<b>Quantum of Rights</b>	<p>The aggregate face value at maximum of the LTIP Offer to all participants (Executive KMP and Senior Management) is \$6.9 million.</p> <p>The final number of Rights awarded to each participant was calculated by dividing the face value of their LTIP award by \$3.4324, being the volume weighted average price (VWAP) of Inghams shares traded on the ASX in the 10 days after 17 August 2023 (the announcement date of Inghams FY23 annual results).</p>
<b>Performance Period</b>	Three years, commencing on 25 June 2023 and ending on or about 1 July 2026.

For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**5 Executive remuneration framework and outcomes (continued)**

For personal use only

<b>Performance conditions</b>	<p><b>Relative TSR (50% of Award)</b></p> <p>For this component, the Company’s relative TSR will be compared to a comparator group comprising the ASX Small Ordinaries and vest according to the following schedule:</p> <table border="1"> <thead> <tr> <th>COMPANY’S RELATIVE TSR RANK IN THE COMPARATOR GROUP OVER PERFORMANCE PERIOD</th> <th>% OF RIGHTS THAT VEST</th> </tr> </thead> <tbody> <tr> <td>Less than 50th percentile</td> <td>Nil</td> </tr> <tr> <td>At 50th percentile (threshold)</td> <td>50%</td> </tr> <tr> <td>Between 50th and 75th percentile</td> <td>Straight line pro rata Vesting between 50% and 100%</td> </tr> <tr> <td>At 75th percentile or above</td> <td>100%</td> </tr> </tbody> </table> <p><b>Return on invested capital (50% of award)</b></p> <p>For this component, the Company’s underlying Return on Invested Capital pre AASB 16 (“ROIC”) will be calculated as the equivalent of net operating profit after tax divided by average invested capital (2 point average). The Company’s ROIC for each of the three years forming the performance period will be averaged to provide an overall outcome, with ROIC performance targets set out below (rather than retrospectively), following shareholder feedback.</p> <p>As noted in the Chair of the People and Remuneration Committee letter section of this report, the inventory trade payable facility is used for all feed purchased across Australia and New Zealand within the business. It is utilised for all feed purchases and only used for feed, not only because of management policy which is overseen by the Board, but also because of the terms of the facility. This policy ensures that changes in facility utilisation cannot be used to vary the ROIC outcome.</p> <p>The Board reserves discretion to make adjustments to ROIC in exceptional circumstances such as to take account of corporate actions undertaken by the Company, for example the acquisition of Bolivar in FY24.</p> <p>The level of vesting of this component will be determined according to the following schedule:</p> <table border="1"> <thead> <tr> <th>COMPANY’S ROIC OUTCOME</th> <th>% OF RIGHTS THAT VEST</th> </tr> </thead> <tbody> <tr> <td>Less than Threshold</td> <td>Nil</td> </tr> <tr> <td>At Threshold of 16.4% p.a.</td> <td>50%</td> </tr> <tr> <td>Between Threshold and Target</td> <td>Straight line pro rata Vesting between 50% and 75%</td> </tr> <tr> <td>At Target</td> <td>75%</td> </tr> <tr> <td>Between Target and Maximum</td> <td>Straight line pro rata Vesting between 75% and 100%</td> </tr> <tr> <td>At Maximum of 21.5% p.a. or more</td> <td>100%</td> </tr> </tbody> </table>	COMPANY’S RELATIVE TSR RANK IN THE COMPARATOR GROUP OVER PERFORMANCE PERIOD	% OF RIGHTS THAT VEST	Less than 50th percentile	Nil	At 50th percentile (threshold)	50%	Between 50th and 75th percentile	Straight line pro rata Vesting between 50% and 100%	At 75th percentile or above	100%	COMPANY’S ROIC OUTCOME	% OF RIGHTS THAT VEST	Less than Threshold	Nil	At Threshold of 16.4% p.a.	50%	Between Threshold and Target	Straight line pro rata Vesting between 50% and 75%	At Target	75%	Between Target and Maximum	Straight line pro rata Vesting between 75% and 100%	At Maximum of 21.5% p.a. or more	100%
COMPANY’S RELATIVE TSR RANK IN THE COMPARATOR GROUP OVER PERFORMANCE PERIOD	% OF RIGHTS THAT VEST																								
Less than 50th percentile	Nil																								
At 50th percentile (threshold)	50%																								
Between 50th and 75th percentile	Straight line pro rata Vesting between 50% and 100%																								
At 75th percentile or above	100%																								
COMPANY’S ROIC OUTCOME	% OF RIGHTS THAT VEST																								
Less than Threshold	Nil																								
At Threshold of 16.4% p.a.	50%																								
Between Threshold and Target	Straight line pro rata Vesting between 50% and 75%																								
At Target	75%																								
Between Target and Maximum	Straight line pro rata Vesting between 75% and 100%																								
At Maximum of 21.5% p.a. or more	100%																								
<b>Voting and dividend entitlements</b>	<p>Performance rights granted under the LTIP do not carry dividend or voting rights prior to vesting. Shares allocated upon vesting of performance rights carry the same dividend and voting rights as other Inghams shares.</p>																								
<b>Re-testing</b>	<p>Performance will not be re-tested if the performance conditions are not satisfied at the end of the performance period. Any Rights that remain unvested at the end of the performance period will lapse immediately.</p>																								
<b>Restrictions on dealing</b>	<p>The Executive KMP must not sell, transfer, encumber, hedge or otherwise deal with performance rights. The Executive KMP will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of Inghams Securities Dealing Policy at that time.</p> <p>A minimum amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 92.</p>																								

## **REMUNERATION REPORT – AUDITED (CONTINUED)**

### **5 Executive remuneration framework and outcomes (continued)**

<b>Change of control</b>	<p>Under the Plan rules and the terms of the LTIP awards, the Board may determine in its absolute discretion that some or all of the Executive KMP performance rights will vest on a likely change of control.</p> <p>In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested performance rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed.</p>
<b>Clawback</b>	<p>Under the Plan rules and the terms of the LTIP awards, the Board has claw back powers which it may exercise if, among other things:</p> <ul style="list-style-type: none"><li>• the Executive KMP has acted fraudulently or dishonestly;</li><li>• has engaged in gross misconduct, brought Inghams, the Inghams Group or any Inghams group company into disrepute or breached their obligations to the Inghams Group;</li><li>• Inghams is required by or entitled under law or Inghams policy to reclaim remuneration from the Executive KMP;</li><li>• there is a material misstatement or omission in the accounts of an Inghams Group company; or</li><li>• the Executive KMP entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.</li></ul>
<b>Cessation of employment</b>	<p>If the participant ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested Rights will automatically lapse. The Board has the discretion to designate a 'good leaver' (e.g. retrenchment, bona fide executive retirement or death), whereby Rights will not automatically lapse. In these circumstances, the Rights will generally be pro-rated (based on the proportion of the performance period that has elapsed) and remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise.</p>
<b>Fair Value</b>	<p>The fair value of the LTIP offer at grant date was determined using an adjusted form of Black Scholes model for the TSR component. The ROIC component is valued using a discounted cashflow technique. The weighted average grant date fair value of rights granted in the year was \$2.86 (2023: \$1.98, 2022: \$2.58).</p> <p>The model inputs for performance rights granted during the year ended included:</p> <ol style="list-style-type: none"><li>a) Exercise price \$Nil (2023: \$Nil, 2022: \$Nil)</li><li>b) Share price at grant date \$3.53 (2023: \$2.69, 2022: \$3.60)</li><li>c) Expected price volatility 30% (2023: 29%, 2022: 33%)</li><li>d) Expected dividend yield 5.0% (2023: 4.0%, 2022: 4.6%)</li><li>e) Risk-free interest rate 3.76% (2023: 4.07%, 2022: 0.81%)</li></ol>

For personal use only

**REMUNERATION REPORT – AUDITED (CONTINUED)**

**5 Executive remuneration framework and outcomes (continued)**

**LTIP Outcomes during FY24**

**Performance against LTIP measures**

**FY22-24 LTIP vesting outcomes**

The FY22-FY24 LTIP scheme was tested for eligibility on 1 July 2024. The ROIC performance was below threshold and resulted in all ROIC-based rights lapsing. The TSR performance was at the 58th percentile, which resulted in 66.58% TSR-based rights vesting.

The total amount that vested is 33.29% of total rights granted. With these vesting in the FY25 financial year they will be included in the statutory disclosures in next year's Remuneration Report.

The details of the outcomes against the relative TSR hurdles are set out below.

**Relative TSR Hurdle:**

COMPANY'S TSR RANK IN THE RELEVANT COMPARATOR GROUP	% OF RIGHTS THAT VEST
Less than 50th percentile	Nil
At 50th percentile	50%
Between 50th and 75th percentile	Straight line pro-rata vesting between 50% and 100%
At 75th percentile	100%
Outcome:	
TSR percentile rank at the 58th percentile	66.58% vesting

**ROIC Hurdle:**

COMPANY'S UNDERLYING PRE AASB 16 ROIC	% OF RIGHTS THAT VEST
Less than Threshold 20.8%	Nil
At Threshold 20.8%	50%
Between Threshold 20.8% and Maximum 24.1%	Straight line pro-rata vesting between 50% and 100%
At Maximum 24.1%	100%
Outcome:	
Underlying pre AASB 16 ROIC is below threshold at 18.0% (18.4% adjusted for Bolivar)	0.0% vesting

The following outcome of the FY22-24 LTIP applies:

EXECUTIVE KMP	LTIP RIGHTS GRANTED	LTIP RIGHTS VESTED	LTIP RIGHTS FORFEITED
Andrew Reeves <sup>(1)</sup>	408,335	135,975	272,400
Gary Mallett <sup>(1)</sup>	112,601	37,496	75,116

1. Andrew Reeves and Gary Mallett granted FY22-FY24 LTIP on 4 November 2021 and the rights vest on the 1 July 2024.

For personal use only

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT – AUDITED (CONTINUED)

#### 6 Other key information

##### Executive Employment Agreements

Key terms of the Executive Service Agreements for the CEO/MD and other Executive KMP members are presented in the table below:

EXECUTIVE KMP	POSITION	CONTRACT DURATION	NOTICE PERIOD	TERMINATION PAYMENTS APPLICABLE
Andrew Reeves	CEO/MD	Unlimited	12 months	Up to 12 months fully paid
Gary Mallett	CFO	Unlimited	6 months	Up to 6 months fully paid

#### 7 Overview of non-executive director remuneration

The details of fees paid to Non-Executive Directors in FY24 are outlined in section 8 of this Remuneration Report. Non-Executive Directors' fees were fixed, and they did not receive any performance-based remuneration.

The table below outlines the fee structure for Non-Executive Directors in FY24 (inclusive of superannuation as applicable). In FY24, there was a benchmarking process undertaken to assess the fee structure. The fee structure had remained unchanged since IPO in 2016, except 2020 when Committee fees were introduced. The Board determined there would be an increase to the Non-Executive Director Board fees and of the fee-paying Committees, with no increase to the Chair Board fees, that would apply from 1 January 2024.

The annual aggregate fee pool for Non-Executive Directors is capped at \$2.0 million. Board and Committee fees inclusive of statutory superannuation contributions are included in this aggregate fee pool.

BOARD FEES		FY24	FY23
Chair		\$350,000 (no additional Committee fees)	\$350,000 (no additional Committee fees)
Non-Executive Director		\$150,000	\$140,000
COMMITTEE FEES			
Finance and Audit	Chair	\$25,000	\$20,000
People and Remuneration	Chair	\$25,000	\$20,000
Risk and Sustainability	Chair	\$25,000	\$20,000
Nomination	Chair/Member	–	–
Committee Fees	Membership per committee	\$12,500	\$10,000

For personal use only

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT – AUDITED (CONTINUED)

#### 8 Statutory and share-based reporting

##### (a) Director and Executive KMP remuneration for the year ended 29 June 2024

The following tables of Director and Executive KMP remuneration has been prepared in accordance with accounting standards and the *Corporations Act 2001* requirements, for the period from 25 June 2023 to 29 June 2024. Share-based payments are calculated as deferred STIP and LTIP awards.

	YEAR	SHORT-TERM BENEFITS			LONG-TERM/ POST- EMPLOYMENT BENEFITS		SHARE-BASED PAYMENTS			PERFOR- MANCE RELATED \$000
		SALARY AND FEES <sup>1</sup> \$000	STIP BONUS \$000	MONE- TARY BENE- FITS <sup>2</sup> \$000	SUPER- ANNUA- TION \$000	LONG SERVICE LEAVE \$000	PERFOR- MANCE RIGHTS <sup>3</sup> \$000	DEFER- RED BENE- FITS <sup>4</sup> \$000	TOTAL REMUN- ERATION \$000	
<b>Non-Executive Directors</b>										
Helen Nash	2024	323	–	–	27	–	–	–	350	–
	2023	300	–	–	24	–	–	–	324	–
Peter Bush	2024	–	–	–	–	–	–	–	–	–
	2023	54	–	–	4	–	–	–	58	–
Rob Gordon	2024	141	–	–	15	–	–	–	156	–
	2023	144	–	–	15	–	–	–	159	–
Michael Ihlein	2024	179	–	–	–	–	–	–	179	–
	2023	155	–	–	16	–	–	–	171	–
Timothy Longstaff	2024	179	–	–	–	–	–	–	179	–
	2023	149	–	–	11	–	–	–	160	–
Jackie McArthur	2024	54	–	–	6	–	–	–	60	–
	2023	154	–	–	16	–	–	–	170	–
Linda Bardo Nicholls AO	2024	166	–	–	13	–	–	–	179	–
	2023	147	–	–	13	–	–	–	160	–
Margaret Haseltine	2024	137	–	–	–	–	–	–	137	–
	2023	–	–	–	–	–	–	–	–	–
Robyn Stubbs	2024	–	–	–	–	–	–	–	–	–
	2023	166	–	–	–	–	–	–	166	–
<b>Sub-total Non-Executive Directors' Remuneration</b>	<b>2024</b>	<b>1,179</b>	<b>–</b>	<b>–</b>	<b>61</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,240</b>	<b>–</b>
	<b>2023</b>	<b>1,269</b>	<b>–</b>	<b>–</b>	<b>99</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,368</b>	<b>–</b>
<b>CEO/MD</b>										
Andrew Reeves	2024	1,214	600	40	27	20	1,253	463	3,617	2,316
	2023	1,158	600	27	25	20	479	300	2,609	1,379
<b>Sub-total Directors' Actual Remuneration</b>	<b>2024</b>	<b>1,214</b>	<b>600</b>	<b>40</b>	<b>27</b>	<b>20</b>	<b>1,253</b>	<b>463</b>	<b>3,617</b>	<b>2,316</b>
	<b>2023</b>	<b>1,158</b>	<b>600</b>	<b>27</b>	<b>25</b>	<b>20</b>	<b>479</b>	<b>300</b>	<b>2,609</b>	<b>1,379</b>
<b>Other Executive KMP</b>										
Gary Mallett	2024	681	228	–	27	10	362	77	1,385	667
	2023	647	237	–	25	11	52	51	1,023	340
<b>Total Other Executive KMP Remuneration</b>	<b>2024</b>	<b>681</b>	<b>228</b>	<b>–</b>	<b>27</b>	<b>10</b>	<b>362</b>	<b>77</b>	<b>1,385</b>	<b>667</b>
	<b>2023</b>	<b>647</b>	<b>237</b>	<b>–</b>	<b>25</b>	<b>11</b>	<b>52</b>	<b>51</b>	<b>1,023</b>	<b>340</b>
<b>Total Directors' and Executive Executive KMP Remuneration</b>	<b>2024</b>	<b>3,074</b>	<b>828</b>	<b>40</b>	<b>115</b>	<b>30</b>	<b>1,615</b>	<b>540</b>	<b>6,242</b>	<b>2,983</b>
	<b>2023</b>	<b>3,074</b>	<b>837</b>	<b>27</b>	<b>149</b>	<b>31</b>	<b>531</b>	<b>351</b>	<b>5,000</b>	<b>1,719</b>

1. Salary and fees are inclusive of salary and annual leave entitlements.

2. Monetary benefits represent a company provided motor vehicle for the CEO/MD valued at \$39,512 per annum.

3. The LTIP award is subject to 50% Relative TSR and 50% ROIC performance hurdles. For further details of performance hurdles and conditions refer to section 5.

4. Deferred benefits include deferred equity incentives.

Note: FY24 reporting period had 53 weeks and FY23 had 52 weeks.

## DIRECTORS' REPORT (CONTINUED)

### REMUNERATION REPORT – AUDITED (CONTINUED)

#### 8 Statutory and share-based reporting (continued)

##### (b) Rights awarded, vested and lapsed during the year

The table below discloses the number of rights granted, vested or lapsed during the year. Rights do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met, until their expiry date.

		NO. OF RIGHTS AWARDED DURING THE YEAR <sup>3</sup>	AWARD DATE	FAIR VALUE PER RIGHT AT GRANT DATE (\$)	VESTING DATE	VALUE OF RIGHTS GRANTED DURING THE YEAR (\$'000)	NO. RIGHTS VESTED DURING THE YEAR	NO. RIGHTS LAPSED/FORFEITED DURING THE YEAR
Andrew Reeves	FY24-FY26 LTIP <sup>2</sup>	546,265	21 Feb 2024	2.860	1 Jul 2026	1,562	–	–
	FY23 STIP <sup>1</sup>	158,373	15 Sep 2023	3.432	15 Sep 2024	544	–	–
	<b>Total</b>	<b>704,638</b>				<b>2,106</b>	<b>–</b>	<b>–</b>
	FY24-FY26 LTIP <sup>2</sup>	138,292	21 Feb 2024	2.860	1 Jul 2026	396	–	–
Gary Mallett	FY23 STIP <sup>1</sup>	26,765	15 Sep 2023	3.432	15 Sep 2024	92	–	–
	FY21-FY23 LTIP <sup>2</sup>	–	15 Sep 2021	4.040	15 Sep 2023	–	–	(128,368)
	<b>Total</b>	<b>165,057</b>		<b>–</b>		<b>487</b>	<b>–</b>	<b>(128,368)</b>

1. Deferred rights were granted on 15 September 2023 subsequent to the calculation of the volume weighted average price of Inghams shares traded on the ASX, 10 days after 17 August 2023. The fair value of the deferred rights is calculated as the market price of Inghams shares traded on the ASX on grant date of the deferred rights.
2. The fair value of the LTIP offer at grant date was determined using an adjusted form of the Black Scholes Model. Fair value on performance rights is a weighted average of rights values under the ROIC and TSR portion of the awards.
3. These are reported as maximum.

##### (c) Performance rights holdings of Directors and Executive KMP

	BALANCE 25 JUNE 2023	GRANTED AS REMUNERATION <sup>2</sup>	RIGHTS VESTED	RIGHTS LAPSED/FORFEITED	BALANCE 29 JUNE 2024
Andrew Reeves	1,463,502	704,638	–	–	2,168,140
Gary Mallett <sup>1</sup>	615,706	165,057	–	(128,368)	652,395
<b>Total</b>	<b>2,079,208</b>	<b>869,695</b>	<b>–</b>	<b>(128,368)</b>	<b>2,820,535</b>

1. The FY21-FY23 LTIP scheme was tested for eligibility on 1 July 2023 and both the ROIC and TSR based rights did not meet the performance threshold, and hereby a total of 128,368 rights lapsing for Gary Mallett on 1 July 2023.
2. FY23 STIP deferred rights and FY24-FY26 LTIP rights granted as remuneration during FY24.

##### (d) Minimum Shareholding Requirements

The shareholding requirement of Non-Executive Directors is a minimum shareholding of 100% of their base Board fees and for the CEO/MD a minimum of 100% of TFR and other KMP 50% of TFR. The minimum shareholding will need to be achieved after 5 years of their appointment or 5 years after the minimum shareholding requirements were implemented in FY22. To assist with achieving the minimum shareholding requirement an amount of 25% of any vested equity award will need to be held for any relevant KMP until the minimum shareholding requirement is met.

For personal use only

## DIRECTORS' REPORT (CONTINUED)

## REMUNERATION REPORT – AUDITED (CONTINUED)

### 8 Statutory and share-based reporting (continued)

#### (e) Shareholdings of Directors and KMP

	BALANCE 25 JUNE 2023	GRANTED AS REMUN- ERATION	ON EXERCISE OF RIGHTS/ OPTIONS	NET CHANGE OTHER	BALANCE 29 JUNE 2024
<b>Non-Executive Directors</b>					
Helen Nash	91,953	–	–	–	91,953
Linda Bardo-Nicholls, AO	55,846	–	–	–	55,846
Rob Gordon	45,772	–	–	–	45,772
Margaret Haseltine	–	–	–	–	–
Michael Ihlein	45,455	–	–	–	45,455
Timothy Longstaff	29,850	–	–	–	29,850
Jackie McArthur <sup>1</sup>	30,688	–	–	–	30,688
<b>CEO</b>					
Andrew Reeves	44,563	–	–	–	44,563
<b>Other Executive KMP</b>					
Gary Mallett	30,567	–	–	–	30,567
<b>Total</b>	<b>374,694</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>374,694</b>

1. Jackie McArthur retired from the Board on 7 November 2023. As such, the Balance is at this date.

Signed in accordance with a resolution of the directors made pursuant to s298(2) of the *Corporations Act 2001*.



**Helen Nash**  
Chair

Sydney  
23 August 2024



**Michael Ihlein**  
Non-Executive Director

For personal use only

# CONSOLIDATED ENTITY DISCLOSURE STATEMENT

## LOCAL TAX RESIDENCY DISCLOSURE

NAME OF ENTITY	COUNTRY OF INCORPORATION	ENTITY STRUCTURE	% OF SHARE CAPITAL HELD DIRECTLY OR INDIRECTLY BY IGL	TAX RESIDENCY
Inghams Group Limited	Australia	Corporate	N/A	Australian
Inghams Holding II Pty Limited	Australia	Corporate	100	Australian
Inghams Holding III Pty Limited	Australia	Corporate	100	Australian
Adams Bidco Pty Limited	Australia	Corporate	100	Australian
Inghams Enterprises Pty Limited	Australia	Corporate	100	Australian
The Free Ranger Pty Limited	Australia	Corporate	100	Australian
Ingham 2 Pty Limited	Australia	Corporate	100	Australian
Aleko Pty Limited	Australia	Corporate	100	Australian
Agnidla Pty Limited	Australia	Corporate	100	Australian
Inadnam Pty Limited	Australia	Corporate	100	Australian
Ovoid Insurance Pty Limited <sup>(c)</sup>	Australia	Corporate	100	Australian
Inghams Property Management Pty Limited	Australia	Corporate	100	Australian
Inghams Enterprises (NZ) Pty Limited <sup>(a)</sup>	Australia	Corporate	100	Australian
Inghams Group Limited Employee Share Trust	Australia	Trust	N/A	Australian
Inghams (NZ) No 2 Limited <sup>(b)</sup>	New Zealand	Corporate	100	Foreign
Ovoid Insurance Limited <sup>(c)</sup>	Bermuda	Corporate	100	Foreign
AFB International Pty Limited	Australia	Partnership	50	Australian
Inghams Property Hold Co Pty Limited	Australia	Corporate	100	Australian
Inghams Property Co Pty Limited	Australia	Corporate	100	Australian
Inghams Burton Property Trust	Australia	Corporate	N/A	Australian

IGL = Inghams Group Limited

(a) Operates a permanent establishment in New Zealand.

(b) Foreign tax jurisdiction is New Zealand.

(c) Foreign tax jurisdiction is Bermuda.

### Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- For Australian tax residency, the consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5; and
- For foreign tax residency, the consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

For personal use only

# LEAD AUDITOR'S INDEPENDENCE DECLARATION



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Inghams Group Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Inghams Group Limited for the financial year ended 29 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Trent Duvall

*Partner*

Sydney

23 August 2024

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only

# CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 29 JUNE 2024

	NOTES	53 WEEKS ENDED 29 JUNE 2024 \$000	52 WEEKS ENDED 24 JUNE 2023 \$000
<b>Revenue</b>	4	<b>3,262,000</b>	<b>3,044,000</b>
<b>Other income</b>	5(a)	<b>300</b>	<b>3,200</b>
<b>Expenses</b>			
Cost of sales		(2,641,100)	(2,532,700)
Distribution		(210,000)	(201,300)
Administration and selling		(185,300)	(163,300)
<b>Operating profit</b>		<b>225,900</b>	<b>149,900</b>
<b>Finance income and costs</b>			
Finance income		3,000	2,400
Finance costs		(86,600)	(78,600)
<b>Net finance costs</b>	5(c)	<b>(83,600)</b>	<b>(76,200)</b>
Share of net profit of joint venture	24	900	400
<b>Profit before income tax</b>		<b>143,200</b>	<b>74,100</b>
Income tax expense	6(a)	(41,700)	(13,700)
<b>Profit for the year attributable to: Owners of Inghams Group Limited</b>		<b>101,500</b>	<b>60,400</b>
Basic EPS (cents per share)	27	27.3	16.3
Diluted EPS (cents per share)	27	27.2	16.2

The above consolidated income statement should be read in conjunction with the accompanying notes.

For personal use only

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 29 JUNE 2024

	NOTES	53 WEEKS ENDED 29 JUNE 2024 \$000	52 WEEKS ENDED 24 JUNE 2023 \$000
<b>Profit for the year</b>		<b>101,500</b>	<b>60,400</b>
<b>Other comprehensive income</b>			
<i>Items that have been reclassified to profit or loss</i>			
Changes in the fair value of cash flow hedges	19(a)	(8,800)	(12,100)
Tax on changes in fair value of cash flow hedges		–	3,100
<b>Total items that have subsequently been reclassified to profit or loss</b>		<b>(8,800)</b>	<b>(9,000)</b>
<i>Items that may be reclassified to profit or loss</i>			
Exchange differences on translation of foreign operations	19(a)	(1,400)	700
Changes in the fair value of cash flow hedges	19(a)	3,900	9,000
<b>Total items that may subsequently be reclassified to profit or loss</b>		<b>2,500</b>	<b>9,700</b>
<i>Items that will not be reclassified to profit or loss</i>			
<b>Total comprehensive income for the year, attributable to: Owners of Inghams Group Limited</b>		<b>95,200</b>	<b>61,100</b>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

For personal use only

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 29 JUNE 2024

	NOTES	29 JUNE 2024 \$'000	24 JUNE 2023 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	110,700	136,300
Trade and other receivables	8	234,100	268,100
Biological assets	9	163,500	159,800
Inventories	10	237,500	220,700
Derivative financial instruments	16	1,700	2,200
<b>Total current assets</b>		<b>747,500</b>	<b>787,100</b>
<b>Non-current assets</b>			
Property, plant and equipment	11	594,300	493,800
Investments accounted for using the equity method	24	3,000	2,300
Right-of-use assets	12	1,031,700	1,275,600
Derivative financial instruments	16	600	1,200
Deferred tax asset	6(c)	22,900	14,300
<b>Total non-current assets</b>		<b>1,652,500</b>	<b>1,787,200</b>
<b>Total assets</b>		<b>2,400,000</b>	<b>2,574,300</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	426,100	462,100
Current tax liability		15,800	3,000
Provisions	15	104,100	98,300
Lease liabilities		147,300	154,600
<b>Total current liabilities</b>		<b>693,300</b>	<b>718,000</b>
<b>Non-current liabilities</b>			
Trade and other payables	13	200	4,300
Borrowings	14	458,600	398,800
Provisions	15	37,200	37,500
Lease liabilities		991,100	1,213,900
<b>Total non-current liabilities</b>		<b>1,487,100</b>	<b>1,654,500</b>
<b>Total liabilities</b>		<b>2,180,400</b>	<b>2,372,500</b>
<b>Net assets</b>		<b>219,600</b>	<b>201,800</b>
<b>Equity</b>			
Contributed equity	17(a)	109,300	109,300
Reserves	19(a)	45,500	47,400
Retained earnings		64,800	45,100
<b>Total equity</b>		<b>219,600</b>	<b>201,800</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

For personal use only

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 29 JUNE 2024

## ATTRIBUTABLE TO OWNERS OF INGHAMS GROUP LIMITED

	NOTES	CONTRIBUTED EQUITY \$000	RETAINED EARNINGS/ (ACCUMULATED LOSSES) \$000	ASSET REVALUATION RESERVE \$000	OTHER RESERVES \$000	TOTAL EQUITY \$000
<b>Balance at 26 June 2022</b>		<b>108,800</b>	<b>3,300</b>	<b>17,700</b>	<b>28,400</b>	<b>158,200</b>
Profit for the year		–	60,400	–	–	60,400
Other comprehensive income	19(a)	–	–	–	700	700
<b>Total comprehensive income</b>		<b>–</b>	<b>60,400</b>	<b>–</b>	<b>700</b>	<b>61,100</b>
<b>Transfer of reserves</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Transactions with owners of the Company</b>						
Dividends provided for or paid	18	–	(18,600)	–	–	(18,600)
Share based payment expense	19(a)	–	–	–	1,300	1,300
Settlement of share plan		(200)	–	–	–	(200)
Transfer of shares for settlement of share plan		700	–	–	(700)	–
		500	(18,600)	–	600	(17,500)
<b>Balance at 24 June 2023</b>		<b>109,300</b>	<b>45,100</b>	<b>17,700</b>	<b>29,700</b>	<b>201,800</b>
<b>Balance at 25 June 2023</b>		<b>109,300</b>	<b>45,100</b>	<b>17,700</b>	<b>29,700</b>	<b>201,800</b>
Profit for the year		–	101,500	–	–	101,500
Other comprehensive income		–	–	–	(6,300)	(6,300)
<b>Total comprehensive income</b>		<b>–</b>	<b>101,500</b>	<b>–</b>	<b>(6,300)</b>	<b>95,200</b>
<b>Transactions with owners of the Company</b>						
Dividends provided for or paid	18	–	(81,800)	–	–	(81,800)
Share based payment expense	19(a)	–	–	–	4,800	4,800
Transfer of shares for settlement of share plan	19(a)	–	–	–	(400)	(400)
		–	(81,800)	–	4,400	(77,400)
<b>Balance at 29 June 2024</b>		<b>109,300</b>	<b>64,800</b>	<b>17,700</b>	<b>27,800</b>	<b>219,600</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

For personal use only

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 29 JUNE 2024

	NOTES	53 WEEKS ENDED 29 JUNE 2024 \$'000	52 WEEKS ENDED 24 JUNE 2023 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		3,391,200	3,106,500
Payments to suppliers and employees (inclusive of GST)		(2,938,100)	(2,734,700)
		<b>453,100</b>	<b>371,800</b>
Interest received		3,000	2,400
Income taxes paid		(37,600)	(15,200)
<b>Net cash provided by operating activities</b>	21	<b>418,500</b>	<b>359,000</b>
<b>Cash flows from investing activities</b>			
Capital expenditure		(85,700)	(71,900)
Property purchases		(76,000)	-
Proceeds from sale of assets		-	200
Dividends received from investments		300	400
Government grant received		3,900	3,300
Acquisition of a business*	28	(6,600)	-
<b>Net cash used in investing activities</b>		<b>(164,100)</b>	<b>(68,000)</b>
<b>Cash flows from financing activities</b>			
Settlement of share plan		(400)	(500)
Proceeds from borrowings		60,000	-
Dividends paid		(81,800)	(18,600)
Lease payments – principal		(172,900)	(193,800)
Lease payments – interest		(55,300)	(53,300)
Interest and finance charges paid		(29,900)	(27,800)
Proceeds from settlement of derivatives		600	7,500
<b>Net cash used in financing activities</b>		<b>(279,700)</b>	<b>(286,500)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(25,300)</b>	<b>4,500</b>
Cash and cash equivalents at the beginning of the financial year		136,300	131,600
Effects of exchange rate changes on cash and cash equivalents		(300)	200
<b>Cash and cash equivalents at end of year</b>	7	<b>110,700</b>	<b>136,300</b>

\* For the period ended 29 June 2024, \$4.5 million of the \$6.6 million 'Acquisition of a business' relates to capital expenditure and asset purchases for Bromley Park.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

For personal use only

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1 CORPORATE INFORMATION

The financial statements of Inghams Group Limited and its subsidiaries (collectively, the Group) for the 53 weeks ended 29 June 2024 (comparative period was 52 weeks ended 24 June 2023) were authorised for issue in accordance with a resolution of the directors on 23 August 2024. Inghams Group Limited (the Company) is a for-profit company limited by shares incorporated in Australia.

The registered office and principal place of business of Inghams Group Limited is:

Level 4  
1 Julius Avenue, North Ryde  
NSW 2113 Australia

The principal activities of the Group during the year consisted of the production and sale of chicken and turkey products across its vertically integrated free-range, value enhanced, primary processed, further processed and by-product categories. Additionally, stockfeed is produced primarily for internal use but also for the poultry and pig industries.

## 2 CHANGES IN ACCOUNTING POLICIES

### (a) Impact on the financial statements

AASB 18 was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements*. The new standard introduces new requirements for the Statement of Profit or Loss, including:

- new categories for the classification of income and expenses into operating, investing and financing categories; and
- presentation of subtotals for "operating profit" and "profit before financing and income taxes".

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements and the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and will first apply to the Group for the financial year ending 24 June 2028.

This new standard is not expected to have an impact on the recognition and measurement of assets, liabilities, income and expenses, however there will likely be changes in how the Statement of Profit or Loss and Statement of Financial Position line items are presented as well as some additional disclosures in the notes to the financial statements. The Group is in the process of assessing the impact of the new standard.

At 29 June 2024, certain accounting standards and interpretations have been published or amended which will become mandatory in future reporting periods. These new or amended accounting standards and interpretations are either not material or not applicable to Inghams.

The Group adopted Disclosure of Accounting Policies (Amendments to AASB 101) from 25 June 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in note 3 Summary of material accounting policies (2023: Summary of significant accounting policies) in certain instances in line with the amendments.

The Group has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 12) from 25 June 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences.

The Group previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of AASB 12. There was also no impact on the opening retained earnings as at 27 June 2022 as a result of the change. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised in page 115.

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied from the first annual period following the effective date of the new standard, unless otherwise stated.

#### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

##### (i) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Financial assets and liabilities (including derivative instruments) and certain classes of plant and equipment measured at fair value; and
- Assets held for sale – measured at the lower of cost (including revaluation adjustments where applicable), or fair value less cost of disposal.

##### (ii) Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below.

- Fair value determination of freehold land and buildings – note 11; and
- Fair value of options granted under the long term incentive scheme, as determined at grant date – note 20.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to these financial statements.

#### (b) Principles of consolidation

##### (i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Group and its subsidiaries and the results of all subsidiaries for the year ended 29 June 2024.

Subsidiaries are all entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The acquisition method of accounting is used to account for business combinations by the Group (see note 28). Acquisitions are accounted for in accordance with AASB 3 *Business Combinations*.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

##### (ii) Joint Ventures

The Group's interests in equity-accounted investees comprise interests in a joint venture. Interests in the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and Other Comprehensive Income of equity-accounted investees, until the date on which significant influence or joint control ceases.

### **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **(c) Foreign currency translation**

##### **(i) Functional and presentation currency**

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Inghams Group Limited's functional and presentation currency.

##### **(ii) Transaction and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation, at period end exchange rates, of monetary assets and liabilities denominated in foreign currencies, are recognised in consolidated income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

##### **(iii) Group companies**

The results and financial position of foreign operations of the Group (none of which have the currency of a hyperinflationary economy), that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for the statement of financial position are translated at the closing rate at balance date;
- Income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

#### **(d) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

##### **Sale of goods**

A sale is recorded when goods have been delivered to a customer pursuant to a sales order and control of the goods has passed to the carrier or customer.

#### **(e) Income tax**

##### **(i) Income tax treatment**

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (e) Income tax (continued)

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income. In this case, the tax is also recognised in other comprehensive income.

Where there are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain, the Group recognises liabilities for uncertain tax positions in accordance with IFRS interpretation IFRIC 23. Each uncertain tax treatment is considered separately unless consideration together with one or more other uncertain tax treatments gives rise to a better prediction of the resolution of the uncertain treatments on examination by the relevant taxation authority. Where the final tax outcome of these matters is different from the amounts provided, such differences will impact the current and deferred tax provisions in the period in which such an outcome is obtained.

#### (ii) Tax consolidation legislation

Inghams Group Limited, the ultimate Australian controlling entity, and its subsidiaries, have implemented the tax consolidation legislation.

Inghams Group Limited and its subsidiaries in the tax consolidated Group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated Group continues to be a stand-alone taxpayer in its own right. In addition to its own current and deferred tax amounts, Inghams Group Limited, the ultimate Australian controlling entity, also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from subsidiaries in the tax consolidated Group.

Assets or liabilities arising under tax funding arrangements within the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Under the tax funding arrangement the members of the tax consolidated Group compensate Inghams Group Limited for any current tax payable assumed, and are compensated by Inghams Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Inghams Group Limited.

#### (f) Impairment of assets

Assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

#### (g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term and highly liquid investments with maturities of three months or less from inception date, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### (h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are generally collected within 30 days of invoice date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is calculated using an expected credit losses provision matrix. The provision matrix is based on the Group's historical observed default rates, adjusted for forward looking estimates. The historical observed default rates are updated to reflect current and forecast credit conditions on each reporting date. Provisions for specific receivables are recognised in addition to the general provision originating from the expected credit losses matrix.

The amount of the provision is recognised in the consolidated income statement within Administration and selling expenses.

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (h) Trade receivables (continued)

##### (i) Biological assets

Biological assets are recognised at cost less accumulated depreciation. The fair value of biological assets cannot be reliably measured, as quoted market prices are not available and it is difficult to estimate the fair value based on the eventual sales price. Depreciation of breeder chickens occurs on an egg-laying basis with the depreciation representing a portion of the egg cost and subsequently the day-old broiler cost in the capitalised cost of broilers. Biological Assets approximately have up to a 70-78 week age that changes on a daily basis.

Biological assets are reclassified as inventory once processed.

##### (j) Inventories

Poultry, feed and other classes of inventories are stated at the lower of cost and net realisable value. Cost comprises all overheads except selling, distribution, general administration and interest. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale.

##### (k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### (i) Financial assets

###### Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

###### Classification and subsequent measurement

On initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI) – debt investment;
- Fair value through other comprehensive income (FVOCI) – equity investment; and
- Fair value through profit or loss (FVTPL).

###### Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This category generally applies to all derivative financial assets. For more information on derivative financial instruments, refer to note 16.

###### Loans and receivables

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- Its contractual terms give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

This category generally applies to trade and other receivables. For more information on receivables, refer to note 8.

### 3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

#### (k) Financial instruments (continued)

##### Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset; or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

##### (ii) Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified as measured at amortised cost, FVTPL or as derivatives designated as hedging instruments in an effective hedge, as appropriate. A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such as initial recognition.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group's financial liabilities include trade and other payables, borrowings and derivative financial instruments.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

##### (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### (l) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- Hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair values of various derivative financial instruments used for hedging purposes are disclosed in note 16. Movements in the hedging reserve in shareholders' equity are shown in note 19(a). The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

### **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **(l) Derivatives and hedging activities (continued)**

##### **(i) Fair value hedges**

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the comprehensive income statement, together with any changes in the fair value of the hedge asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps and hedging fixed rate borrowings is recognised in the comprehensive income statement within finance costs, together with changes in the fair value of the hedged fixed rate borrowings attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in the comprehensive income statement within other income or other expenses. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the consolidated income statement over the period to maturity using a recalculated effective interest rate.

##### **(ii) Cash flow hedges**

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in reserves in equity.

Amounts accumulated in equity are reclassified to the comprehensive income statement in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss within 'finance costs'. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales'. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are reclassified from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in profit or loss as cost of goods sold in the case of inventory, or as depreciation or impairment in the case of fixed assets.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

The Group may also enter into derivative contracts in order to hedge the translation of results of its New Zealand business. As this result is an uncertain amount at the date the derivative is entered into, it is not eligible for designation as a hedging instrument under Australian Accounting Standards, and as such any applicable contracts are measured at fair value through profit or loss, with gains or losses being recognised in profit or loss in the period incurred.

##### **(m) Property, plant and equipment**

Freehold land and buildings are shown at fair value based on formal periodic valuations (with sufficient regularity to ensure materially accurate valuations reflected) by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

Freehold land and buildings and leasehold buildings	3 – 50 years
Plant and equipment	1 – 20 years
Leased plant and equipment	5 – 15 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

### **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **(m) Property, plant and equipment (continued)**

As asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

#### **(n) Leases**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

##### **(i) Lease Liability**

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

##### **(ii) Right-of-use assets**

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

##### **(iii) Depreciation expense**

Depreciation is calculated on a straight-line basis on the right-of-use asset over the term of each lease. In line with Group's policy of classifying expenses by function, depreciation is included within the elements of Operating Profit as appropriate.

##### **(iv) Extension and termination options**

Land and building lease agreements are typically entered for fixed periods of 5 to 20 years, with some leases for periods of 30 years. Extension and termination options are included in a number of these leases across the Group.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Management's assessment is that lease options cannot be reasonably certain and are therefore excluded in the calculation of the lease liability.

### **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **(n) Leases (continued)**

Contract Growers have a set expiry date after which the lease continues indefinitely until either party gives 12 months' notice to terminate. As Inghams continues to review the company's strategic objectives, a number of Chicken Contract Growers have already moved to performance-based agreements. More are expected in the future. Turkey Contract Growers have had a notice of termination provided on the existing contract. A new agreement is in discussion with the growers.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the Group.

#### **(v) Practical expedients applied**

The Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease; and
- payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less.

#### **(vi) Short term leases exempt from recognition under AASB 16 Leases**

All short term leases (less than 12 months), low value or performance based leases are recognised under AASB 16 Leases but not disclosed on balance sheet. These leases continue to be recognised in the Profit & Loss as an operating lease expense.

#### **(o) Investments**

Investments in subsidiaries and joint venture entities are accounted for at cost. Dividends received from subsidiaries and joint venture entities are recognised in the parent entity's profit, rather than being deducted from the carrying amount of these investments.

#### **(p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### **(q) Interest bearing liabilities**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowing costs incurred for the construction of any qualifying assets are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed as incurred.

### **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **(r) Provisions**

Provisions for make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of each reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Workers compensation provisions are determined by actuarial assessment every financial period. The provision represents the expected liability of the entity in relation to each state's self-insurance licence.

#### **(s) Employee benefits**

##### **(i) Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits and annual leave expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is presented as provision for employee benefits. All other short term employee benefit obligations are presented as payables.

##### **(ii) Other long-term employee benefit obligations**

The liabilities for long service leave which are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the consolidated statement of financial position if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

##### **(iii) Share-based payments**

Share-based compensation benefits are provided to executives and select key management under Long Term Incentive Plans.

The fair value of shares granted under Long Term Incentive Plans are recognised as an employee benefits expense with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the shares. The total amount to be expensed is determined by reference to the fair value of the shares granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting condition.

Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity. Where such adjustments results in a reversal of previous expenses these are recognised as a credit to profit and loss in the period that it is assessed that certain vesting conditions will not be met.

##### **(iv) Short term incentive scheme**

The Group recognises a certain liability and expense for bonuses based on a formula that takes into consideration financial and non-financial outcomes of the Group.

### **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

#### **(t) Contributed equity**

Ordinary shares are classified as equity.

#### **(u) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### **(v) Government grants**

The Group initially recognises government grants related to assets as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant. Grants related to the acquisition of assets are recognised as a reduction upfront in the fair value of the fixed asset to which they relate and a reduction in depreciation expense over the useful life of the asset.

#### **(w) Good and services tax (GST)**

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

#### **(x) Rounding of amounts**

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest hundred thousand dollars except where otherwise stated.

#### **(y) Parent entity**

The financial information for the parent entity, Inghams Group Limited, has been prepared on the same basis as the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4 SEGMENT INFORMATION

#### Description of segments

Inghams operations are all conducted in the feed and poultry industry in Australia and New Zealand.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO (the chief operating decision maker) in assessing performance and in determining the allocation of resources. The Group's operations in Australia and New Zealand are each treated as individual operating segments. The CEO monitors the operating results of business units separately, for the purpose of making decisions about resource allocation and performance assessment.

Segment performance is evaluated based on earnings before interest, tax, depreciation and amortisation (EBITDA). Inter-segment pricing and inter segment revenue is generated from a royalty charge for the services provided by the Australian operation.

Two customers generated revenue in excess of 10% of Group revenue (2023: Two).

Allocations of assets and liabilities are not separately identified in internal reporting so are not disclosed in this note.

	AUSTRALIA 2024 \$000	NEW ZEALAND 2024 \$000	CONSOLIDATED 2024 \$000
Poultry	2,615,700	439,600	3,055,300
Feed	144,400	62,300	206,700
<b>Total revenue from contracts with customers</b>	<b>2,760,100</b>	<b>501,900</b>	<b>3,262,000</b>
Other income	100	200	300
Inter segment revenue/(expense)	13,000	(13,000)	–
	<b>2,773,200</b>	<b>489,100</b>	<b>3,262,300</b>
Adjusted operating expenses*	(2,396,200)	(395,900)	(2,792,100)
Share of net profit of joint venture	900	–	900
<b>EBITDA</b>	<b>377,900</b>	<b>93,200</b>	<b>471,100</b>
Depreciation and amortisation			(244,300)
<b>EBIT</b>			<b>226,800</b>
Net finance costs			(83,600)
<b>Profit before tax</b>			<b>143,200</b>

\* Adjusted operating expenses include cost of sales, distribution, selling and administration, excluding depreciation and amortisation.

	AUSTRALIA 2024 \$000	NEW ZEALAND 2024 \$000	CONSOLIDATED 2024 \$000
Total capital expenditure*	142,500	23,200	165,700
Total property, plant and equipment	507,900	86,400	594,300
Total impairment losses (trade receivables)	1,500	–	1,500
Total impairment losses (inventory)	17,400	2,600	20,000

\* Total Capital expenditure includes assets acquired as part of the Bolivar acquisition (\$76.0 million) and Bromley Park acquisition (\$4.5 million).

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 4 SEGMENT INFORMATION (CONTINUED)

#### Description of segments (continued)

	AUSTRALIA 2023 \$000	NEW ZEALAND 2023 \$000	CONSOLIDATED 2023 \$000
Poultry	2,439,200	381,800	2,821,000
Feed	158,100	64,900	223,000
<b>Total revenue from contracts with customers</b>	<b>2,597,300</b>	<b>446,700</b>	<b>3,044,000</b>
Other income	3,000	200	3,200
Inter segment revenue/(expense)	10,600	(10,600)	–
	<b>2,610,900</b>	<b>436,300</b>	<b>3,047,200</b>
Adjusted operating expenses*	(2,254,300)	(374,800)	(2,629,100)
Share of net profit of associate	400	–	400
<b>EBITDA</b>	<b>357,000</b>	<b>61,500</b>	<b>418,500</b>
Depreciation and amortisation			(268,200)
<b>EBIT</b>			<b>150,300</b>
Net finance costs			(76,200)
<b>Profit before tax</b>			<b>74,100</b>

\* Adjusted operating expenses include cost of sales, distribution, selling and administration, excluding depreciation and amortisation.

	AUSTRALIA 2023 \$000	NEW ZEALAND 2023 \$000	CONSOLIDATED 2023 \$000
Total capital expenditure	64,200	7,700	71,900
Total property, plant and equipment	420,100	73,700	493,800
Total impairment losses (trade receivables)	300	–	300
Total impairment losses (inventory)	18,700	2,100	20,800
Total impairment losses (property, plant and equipment)	1,000	–	1,000

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 5 OTHER INCOME AND EXPENSES

#### (a) Other income and expenses

	2024 \$000	2023 \$000
Rent and other income	300	3,200
<b>Other items</b>	<b>300</b>	<b>3,200</b>

#### (b) Expenses

<i>Employee benefits expense</i>		
Employee benefits expense	676,100	598,000
Defined super contributions	54,000	48,200
Share-based payment expense	4,900	1,300
<b>Employee benefits expense</b>	<b>735,000</b>	<b>647,500</b>
<i>Impairment losses</i>		
Trade receivables	1,500	300
Inventories	20,000	20,800
Property, plant and equipment	–	1,000
<b>Impairment losses</b>	<b>21,500</b>	<b>22,100</b>

Impairment losses on trade receivables, including amounts written off and amounts provided for, are recognised within administration and selling expenses. Impairment losses on inventories, including amounts written off and amounts provided for, are recognised within cost of sales.

#### (c) Finance income and costs

Lease financing interest expense	55,300	53,300
Interest and borrowing costs	30,200	24,500
Unwind of discount	300	–
Amortisation of borrowing costs	800	800
Interest income	(3,000)	(2,400)
<b>Finance income and costs</b>	<b>83,600</b>	<b>76,200</b>

Included within interest and borrowing costs is interest related to the inventory procurement trade payable of \$6.8 million (FY23: \$6.4 million).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6 INCOME TAX EXPENSE

#### (a) Income tax expense

	2024 \$000	2023 \$000
Current tax	53,200	29,500
Deferred tax	(8,600)	(7,300)
Adjustments for current tax of prior periods	(2,900)	(8,500)
<b>Income tax expense</b>	<b>41,700</b>	<b>13,700</b>

#### (b) Numerical reconciliation of income tax expense to prima facie tax payable

Profit from continuing operations before income tax expense	143,200	74,100
Tax at the Australian tax rate of 30% (2023 – 30%)	43,000	22,200
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible expenses	(500)	200
Prior period R&D tax offset	–	(8,500)
Revaluation of inventory tax base in associate	(200)	(100)
	<b>42,300</b>	<b>13,800</b>
Difference in overseas tax rates	(600)	(100)
<b>Income tax expense</b>	<b>41,700</b>	<b>13,700</b>

#### (c) Deferred taxes

The movements in deferred tax balances for the Group are shown in the tables below:

	OPENING BALANCE \$000	CHARGED TO INCOME \$000	CHARGED TO EQUITY \$000	CLOSING BALANCE \$000
<b>2024</b>				
Doubtful debts	700	300	–	1,000
Employee benefits	26,500	1,500	–	28,000
Inventories	(34,700)	(200)	–	(34,900)
Accruals	4,700	1,300	–	6,000
Property, plant and equipment	(22,000)	1,200	–	(20,800)
AASB 16 – Right of Use Assets	(377,600)	71,000	–	(306,600)
AASB 16 – Lease Liabilities	411,700	(69,300)	–	342,400
Provisions	3,200	900	–	4,100
Make good	800	100	–	900
Cash flow hedges	(100)	100	–	–
Business related costs s40-880 <sup>1</sup>	100	400	–	500
Deferred income	1,000	1,300	–	2,300
<b>Net deferred tax assets/(liabilities)</b>	<b>14,300</b>	<b>8,600</b>	<b>–</b>	<b>22,900</b>

1. Relate to 5 years deduction for project snowflakes and Ovoid liquidation.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 6 INCOME TAX EXPENSE (CONTINUED)

#### (c) Deferred taxes (continued)

	OPENING BALANCE \$000	CHARGED TO INCOME \$000	CHARGED TO EQUITY \$000	CLOSING BALANCE \$000
<b>2023</b>				
Doubtful debts	600	100	–	700
Employee benefits	26,400	100	–	26,500
Inventories	(40,400)	5,700	–	(34,700)
Accruals	2,400	2,300	–	4,700
Property, plant and equipment	(11,700)	(10,300)	–	(22,000)
AASB 16 – Right of Use Assets	(392,000)	14,400	–	(377,600)
AASB 16 – Lease Liabilities	419,900	(8,200)	–	411,700
Provisions	900	2,300	–	3,200
Make good	1,000	(200)	800	
Cash flow hedges	(3,200)	–	3,100	(100)
Business related costs s40-880	–	100	–	100
Deferred income	–	1,000	–	1,000
<b>Net deferred tax assets/(liabilities)</b>	<b>3,900</b>	<b>7,300</b>	<b>3,100</b>	<b>14,300</b>

### 7 CASH AND CASH EQUIVALENTS

	2024 \$000	2023 \$000
Cash at bank and on hand	110,400	136,000
Short-term deposits	300	300
<b>Cash and cash equivalents</b>	<b>110,700</b>	<b>136,300</b>

Short-term deposits are presented as cash equivalents as they have a maturity of less than three months.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 8 TRADE AND OTHER RECEIVABLES

	2024 \$000	2023 \$000
Trade receivables	221,000	257,000
Provision for doubtful debts	(3,600)	(2,100)
<b>Net trade receivables</b>	<b>217,400</b>	<b>254,900</b>
Other receivables	10,800	9,300
Prepayments	5,900	3,900
<b>Trade and other receivables</b>	<b>234,100</b>	<b>268,100</b>
Movement in the provision for doubtful debts:		
<b>At start of period</b>	<b>(2,100)</b>	<b>(1,900)</b>
Impairment expense recognised during the year	(1,500)	(300)
Receivables written off during the year as uncollectable	–	100
<b>Balance at end of period</b>	<b>(3,600)</b>	<b>(2,100)</b>

Due to the short-term nature of current receivables, their carrying amount is assumed to approximate their fair value.

The Group has considered the collectability and recoverability of trade receivables. A provision for doubtful debts is calculated using an expected credit losses provision matrix. The provision matrix is based on the Group's historical observed default rates, adjusted for forward looking estimates. The historical observed default rates are updated to reflect current and forecast credit conditions on each reporting date. Provisions for specific receivables are recognised in addition to the general provision originating from the expected credit losses matrix.

Inghams continues to execute a variety of different credit management strategies to mitigate credit risk and collect cash.

	2024 \$000	2023 \$000
Current	214,100	245,000
1 to 30 days	2,500	5,000
31 to 60 days	700	2,100
61 to 90 days	–	1,600
90+ days	100	1,200
Impaired (provision for doubtful debts)	3,600	2,100
<b>Trade receivables</b>	<b>221,000</b>	<b>257,000</b>

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 9 BIOLOGICAL ASSETS

	2024 \$000	2023 \$000
Breeder	54,900	48,000
Broiler	92,800	96,500
Eggs	15,800	15,300
<b>Biological assets</b>	<b>163,500</b>	<b>159,800</b>

All movements in the value of biological asset classes are due to purchases and consumption in the ordinary course of business. The Group is exposed to a number of risks relating to its biological assets:

#### (i) Regulatory and environmental risk

The Group is subject to laws and regulations in the countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

#### (ii) Climate and other risks

The Group's biological assets are exposed to the risk of damage from climatic changes, diseases and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular health inspections. The Group is also insured against natural disasters.

### 10 INVENTORIES

	2024 \$000	2023 \$000
Processed Poultry	140,600	112,300
Feed	55,100	68,900
Other	52,000	47,200
<b>Inventories (gross)</b>	<b>247,700</b>	<b>228,400</b>
Inventory obsolescence provision	(10,200)	(7,700)
<b>Inventories</b>	<b>237,500</b>	<b>220,700</b>

Inventory is assessed for excess or slow moving stock, stock sold below cost and other indicators of obsolescence in calculating inventory obsolescence provision. Other inventories include medication, packaging and consumables.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 11 PROPERTY, PLANT AND EQUIPMENT

	FREEHOLD LAND \$000	FREEHOLD BUILDINGS \$000	LEASEHOLD BUILDINGS \$000	PLANT AND EQUIPMENT \$000	CAPITAL WORK IN PROGRESS \$000	TOTAL \$000
<b>2024</b>						
<b>Cost</b>						
Opening balance	47,500	96,100	14,000	694,100	62,800	914,500
Additions*	22,800	52,400	800	1,200	76,300	153,500
Business acquisition	–	–	–	4,500	–	4,500
Transfers	100	2,000	–	78,600	(80,700)	–
Disposals	–	–	–	(100)	–	(100)
<b>Closing balance</b>	<b>70,400</b>	<b>150,500</b>	<b>14,800</b>	<b>778,300</b>	<b>58,400</b>	<b>1,072,400</b>
<b>Accumulated Depreciation</b>						
Opening balance	–	(5,700)	(6,400)	(408,600)	–	(420,700)
Depreciation charge	–	(4,400)	(1,000)	(52,100)	–	(57,500)
Disposals	–	–	–	100	–	100
<b>Closing balance</b>	<b>–</b>	<b>(10,100)</b>	<b>(7,400)</b>	<b>(460,600)</b>	<b>–</b>	<b>(478,100)</b>
<b>Net book value</b>	<b>70,400</b>	<b>140,400</b>	<b>7,400</b>	<b>317,700</b>	<b>58,400</b>	<b>594,300</b>
<b>2023</b>						
<b>Cost</b>						
Opening balance	38,400	80,300	15,100	674,300	47,500	855,600
Additions	–	–	–	–	71,900	71,900
Transfers	9,100	15,900	–	31,600	(56,600)	–
Impairment	–	–	–	(1,000)	–	(1,000)
Disposals	–	(200)	(1,100)	(12,700)	–	(14,000)
Exchange differences	–	100	–	1,900	–	2,000
<b>Closing balance</b>	<b>47,500</b>	<b>96,100</b>	<b>14,000</b>	<b>694,100</b>	<b>62,800</b>	<b>914,500</b>
<b>Accumulated Depreciation</b>						
Opening balance	–	(3,000)	(6,600)	(368,700)	–	(378,300)
Depreciation charge	–	(2,800)	(900)	(50,500)	–	(54,200)
Disposals	–	100	1,100	12,200	–	13,400
Exchange differences	–	–	–	(1,600)	–	(1,600)
<b>Closing balance</b>	<b>–</b>	<b>(5,700)</b>	<b>(6,400)</b>	<b>(408,600)</b>	<b>–</b>	<b>(420,700)</b>
<b>Net book value</b>	<b>47,500</b>	<b>90,400</b>	<b>7,600</b>	<b>285,500</b>	<b>62,800</b>	<b>493,800</b>

\* Included within additions is the Bolivar acquisition (\$76.0 million).

The valuation basis of freehold land and buildings is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition.

Independent valuations are performed every three years and the last was performed in FY22. In FY24 management assessed the reasonableness of the carrying value of Land and Buildings. No adjustments were required to the carrying values.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 12 RIGHT-OF-USE ASSETS

	LAND AND BUILDING \$000	CONTRACT GROWERS \$000	EQUIPMENT AND MOTOR VEHICLE \$000	TOTAL \$000
<b>2024</b>				
<b>Balance at 26 June 2023</b>	<b>811,500</b>	<b>446,000</b>	<b>18,100</b>	<b>1,275,600</b>
Additions	65,500	73,700	3,200	142,400
Disposals	(37,400)	(159,600)	–	(197,000)
Depreciation	(62,700)	(121,000)	(6,200)	(189,900)
Net foreign currency movement	(500)	1,100	–	600
<b>Balance at 29 June 2024</b>	<b>776,400</b>	<b>240,200</b>	<b>15,100</b>	<b>1,031,700</b>

	LAND AND BUILDING \$000	CONTRACT GROWERS \$000	EQUIPMENT AND MOTOR VEHICLE \$000	TOTAL \$000
<b>2023</b>				
<b>Balance at 27 June 2022</b>	<b>835,500</b>	<b>461,900</b>	<b>22,000</b>	<b>1,319,400</b>
Additions	47,400	134,300	2,000	183,700
Disposals	(900)	(13,700)	(100)	(14,700)
Depreciation	(71,100)	(137,100)	(5,800)	(214,000)
Net foreign currency movement	600	600	–	1,200
<b>Balance at 25 June 2023</b>	<b>811,500</b>	<b>446,000</b>	<b>18,100</b>	<b>1,275,600</b>

Extension options are not included in the measurement of the right-of-use assets and lease liabilities unless they are exercised.

	2024 \$000	2023 \$000
Variable lease payments not included in the measurement of lease liabilities	151,400	107,800
Expenses relating to low value leases	6,500	5,600
<b>Total</b>	<b>157,900</b>	<b>113,400</b>

The total cashflow payments related to leases in FY24 was \$386,100,000 (FY23: \$360,500,000).

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 13 TRADE AND OTHER PAYABLES

	2024			2023		
	CURRENT \$000	NON-CURRENT \$000	TOTAL \$000	CURRENT \$000	NON-CURRENT \$000	TOTAL \$000
Trade payables	259,400	200	259,600	296,300	1,000	297,300
Inventory procurement trade payable	128,500	–	128,500	132,200	–	132,200
Other payables	38,200	–	38,200	33,600	3,300	36,900
<b>Trade and other payables</b>	<b>426,100</b>	<b>200</b>	<b>426,300</b>	<b>462,100</b>	<b>4,300</b>	<b>466,400</b>

The Group has an inventory procurement trade payable with a third party financial institution, which is interest bearing. Trade bills of exchange are paid by the financial institution direct to the supplier and the Group settles the payable on extended payment terms. The amount utilised and recorded within trade and other payables at 29 June 2024 was \$128.5 million (24 June 2023: \$132.2 million).

### 14 BORROWINGS

#### (a) Interest bearing loans

	CARRYING AMOUNT		PRINCIPAL AMOUNT DRAWN		INTEREST RATE	MATURITY
	2024 \$000	2023 \$000	2024 \$000	2023 \$000		
<b>Unsecured liabilities</b>						
Tranche A <sup>(b)</sup>	198,700	199,200	200,000	200,000	Floating rate <sup>(a)</sup>	November 2025
Tranche B <sup>(b)</sup>	199,900	199,600	200,000	200,000	Floating rate <sup>(a)</sup>	November 2027
Tranche C <sup>(b)</sup>	60,000	–	60,000	–	Floating rate <sup>(a)</sup>	November 2025
<b>Borrowings</b>	<b>458,600</b>	<b>398,800</b>	<b>460,000</b>	<b>400,000</b>		

(a) Floating rates are at Bank Bill Swap Rate plus a predetermined margin. The Group has entered into hedging of the floating interest rate, as further described in note 23. Tranche A and Tranche B are fully drawn as at 29 June 2024 and Tranche C is partially drawn (\$60M of \$145M available).

(b) Currency is in AUD.

#### (b) Fair value

For external borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on the borrowings is either close to current market rates or the borrowings are of a short-term nature. The Group has entered into interest rate swaps in relation to the interest payable.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15 PROVISIONS

	2024			2023		
	CURRENT \$000	NON-CURRENT \$000	TOTAL \$000	CURRENT \$000	NON-CURRENT \$000	TOTAL \$000
Workers compensation	11,800	21,800	33,600	9,900	22,300	32,200
Employee benefits	87,000	6,500	93,500	82,000	6,500	88,500
Make good	200	2,100	2,300	1,200	1,600	2,800
Onerous contracts	500	6,800	7,300	800	7,100	7,900
Restructuring	–	–	–	200	–	200
Other provisions	4,600	–	4,600	4,200	–	4,200
<b>Provisions</b>	<b>104,100</b>	<b>37,200</b>	<b>141,300</b>	<b>98,300</b>	<b>37,500</b>	<b>135,800</b>

#### (a) Workers compensation

Workers compensation provisions are determined by actuarial assessment by Mr William Szuch Bsc, BA, MBA, FIA, FIAA Principal of WSA Financial Consulting Pty Limited and Mr Bruce Harris, BEng(Hons) FIAA Consultant of AM actuaries, considering the liability for reported claims still outstanding, settled claims that may be reopened in the future, claims incurred but not reported as at balance date and a provision for future expenses, adjustments for claims cost escalation and investment earnings on the claims provision.

#### (b) Make good provision

The Group is required to restore certain leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove leasehold improvements.

#### (c) Onerous contracts

The onerous provision relates to the remaining obligations for the Cleveland lease that has been reassigned to a new tenant for the remainder of the lease term.

#### (d) Restructuring provision

For the prior year, provisions for restructuring are recognised when a detailed formal plan has been approved and either commenced or a valid expectation has been raised to those persons affected. The provision is based on expenditure to be incurred which is directly caused by the restructuring and does not include costs associated with ongoing activities. The adequacy of the provision is reviewed regularly and adjusted if required. Revisions in the estimated amount of a restructuring provision are reported in the period in which the revision in the estimate occurs.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 15 PROVISIONS (CONTINUED)

#### (e) Movements

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	WORKERS COMPEN- SATION \$000	MAKE GOOD \$000	ONEROUS CONTRACTS \$000	RESTRUCT- URING \$000	OTHER \$000	TOTAL \$000
<b>Balance at 26 June 2022</b>	<b>29,600</b>	<b>3,400</b>	<b>–</b>	<b>3,400</b>	<b>2,300</b>	<b>38,700</b>
Charged to profit or loss	12,900	800	8,700	7,200	1,900	31,500
Amounts used during the period	(10,300)	(1,400)	(800)	(10,400)	–	(22,900)
Unwind of discount	–	–	–	–	–	–
<b>Balance at 24 June 2023</b>	<b>32,200</b>	<b>2,800</b>	<b>7,900</b>	<b>200</b>	<b>4,200</b>	<b>47,300</b>
<b>Balance at 25 June 2023</b>	<b>32,200</b>	<b>2,800</b>	<b>7,900</b>	<b>200</b>	<b>4,200</b>	<b>47,300</b>
Charged to profit or loss	24,400	800	300	–	400	25,900
Amounts used during the period	(23,000)	(1,300)	(1,200)	(200)	–	(25,700)
Unwind of discount	–	–	300	–	–	300
<b>Balance at 29 June 2024</b>	<b>33,600</b>	<b>2,300</b>	<b>7,300</b>	<b>–</b>	<b>4,600</b>	<b>47,800</b>

### 16 DERIVATIVE FINANCIAL INSTRUMENTS

The Group has the following derivative financial instruments:

	2024			2023		
	CURRENT \$000	NON- CURRENT \$000	TOTAL \$000	CURRENT \$000	NON- CURRENT \$000	TOTAL \$000
<b>Interest rate swap contracts</b>						
– Cash flow hedges (asset)	1,200	600	1,800	1,500	1,200	2,700
<b>Forward foreign exchange contracts</b>						
– Cash flow hedges (asset)	500	–	500	700	–	700
<b>Derivative financial instruments</b>	<b>1,700</b>	<b>600</b>	<b>2,300</b>	<b>2,200</b>	<b>1,200</b>	<b>3,400</b>

#### Classification of derivatives

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. They are presented as current assets or liabilities if they are expected to be settled within 12 months after the end of the reporting period.

The Group's accounting policy for its cash flow hedges is set out in note 3(l). For hedged forecast transactions that result in the recognition of a non-financial asset, the Group has elected to include related hedging gains and losses in the initial measurement of the cost of the asset.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 17 EQUITY CONTRIBUTED EQUITY

#### (a) Share capital

	2024 SHARES	2023 SHARES	2024 SHARES	2023 SHARES
Ordinary shares issued	371,679,601	371,679,601	109,300	109,300

#### (b) Movements in ordinary shares

	SHARES	\$000
<b>Balance at 26 June 2022</b>	<b>371,679,601</b>	<b>108,800</b>
Settlement of share plan	–	700
Amounts paid for treasury shares	–	(200)
<b>Balance at 24 June 2023</b>	<b>371,679,601</b>	<b>109,300</b>
<b>Balance at 25 June 2023</b>	<b>371,679,601</b>	<b>109,300</b>
<b>Balance at 29 June 2024</b>	<b>371,679,601</b>	<b>109,300</b>

#### (c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and to share the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

#### (d) Treasury shares

Treasury shares outstanding of nil shares (FY23: 3,707) are shares in Inghams Group Limited that are held in trust by Ingham 2 Pty Limited, a subsidiary, and Pacific Life Custodians Pty Limited for the purpose of issuing shares under the employee share scheme. Information relating to the Inghams Long Term Incentive Plan, including details of shares issued, exercised and lapsed during the financial period and outstanding at the end of the reporting period, is set out in note 20.

### 18 DIVIDENDS

#### (a) Ordinary shares

	2024 \$000	2023 \$000
Dividends paid	81,800	18,600

The directors declared a final dividend of 8.0 cents per ordinary share on 23 August 2024 payable on 9 October 2024. The FY24 final dividend will be fully franked for Australian tax purposes. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in subsequent financial reports.

#### (b) Franking credits

	2024 \$000	2023 \$000
Amount of Australian franking credits available for subsequent periods to the shareholders of Inghams Group Limited	4,500	3,400

The ability to utilise the franking credits is dependent upon the ability to declare dividends in the future. Franking credits of \$16.4 million (2023: \$16.4 million), not included above, are only available to be used under very limited and specific circumstances. These credits relate to the period when the former shareholder TPG was treated as an exempting entity with greater than 95% foreign ownership and can only be used by TPG and member holding eligible employee shares.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19 RESERVES

#### (a) Other reserves

	2024 \$000	2023 \$000
Asset revaluation reserve	17,700	17,700
Foreign currency translation reserve	7,000	8,400
Cash flow hedge reserve	4,200	9,100
Share-based payments reserve	16,600	12,200
<b>Other reserves</b>	<b>45,500</b>	<b>47,400</b>
<b>Movements:</b>		
<i>Asset revaluation reserve</i>		
Balance at beginning of financial year	17,700	17,700
Revaluation of land and buildings	–	1,800
Deferred tax	–	(1,800)
<b>Balance at end of the financial year</b>	<b>17,700</b>	<b>17,700</b>
<i>Foreign currency translation reserve</i>		
Balance at beginning of financial year	8,400	7,700
Currency translation differences arising during the year	(1,400)	700
<b>Balance at end of the financial year</b>	<b>7,000</b>	<b>8,400</b>
<i>Cash flow hedge reserve</i>		
Balance at beginning of financial year	9,100	9,100
Balance reclassified to profit and loss in year	(8,800)	(12,100)
Revaluation – gross	3,900	9,000
Deferred tax	–	3,100
<b>Balance at end of the financial year</b>	<b>4,200</b>	<b>9,100</b>
<i>Share-based payments reserve</i>		
Balance at beginning of financial year	12,200	11,600
Share based payment expense	4,800	1,300
Settlement of share plan	(400)	(700)
<b>Balance at end of the financial year</b>	<b>16,600</b>	<b>12,200</b>

#### (b) Nature and purpose of other reserves

##### (i) Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 11. The balance of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law. Upon sale of the asset, the balance relating to that asset is transferred to retained earnings.

##### (ii) Foreign currency translation

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 3(c) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 19 RESERVES (CONTINUED)

#### (b) Nature and purpose of other reserves (continued)

##### (iii) Cash flow hedges

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in note 3(l). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

##### (iv) Share-based payments

The share-based payments reserve is used to recognise the grant date fair value of shares issued to employees but not vested.

### 20 SHARE-BASED PAYMENTS

#### Inghams Employees Share Plan

Executive KMP and senior management are invited annually to participate in a three-year Long-Term Incentive Plan (LTIP), awarded in share rights with these share rights being performance based and only vesting if minimum performance hurdles are met. The share rights do not attract voting rights or entitle the holder to receive dividends.

In addition, Executive KMP and certain senior executives have a portion of any actual Short-Term Incentive Plan award deferred into share rights, that are required to be held for a period of 12 months before vesting into shares. No performance conditions exist for these share rights to vest as they are time-based vesting on the completion of the service period.

Share rights outstanding at the end of the year have the following expiry dates:

GRANT DATE	EXPIRY DATE	2024		2023	
		EXERCISE PRICE	NUMBER OF RIGHTS	EXERCISE PRICE	NUMBER OF RIGHTS/OPTIONS
21 February 2024	1 July 2026	–	1,927,849	–	–
15 September 2023	15 September 2024	–	295,525	–	–
21 June 2023	1 July 2025	–	2,144,169	–	2,323,507
17 November 2022	19 August 2025	–	367,015	–	367,015
27 September 2022	19 August 2025	–	193,830	–	193,830
05 November 2021	1 July 2024	–	1,220,769	–	1,401,302
10 June 2021	1 July 2023	–	–	–	814,815
01 September 2020	31 July 2023	–	–	–	15,031
			<b>6,149,157</b>	–	<b>5,115,500</b>

#### STIP Offer

The STIP provides the Executive KMP and other senior members of the management team a cash or cash/equity incentive where specific outcomes have been achieved in the financial year. STIP payments are calculated as a percentage of total Total Fixed Remuneration, as per contractual arrangements and conditional on achieving performance objectives against key financial measures (underlying pre AASB 16 EBITDA), three non-financial measures (People Safety, Food Safety and Water Consumption), and the individual's overall performance to the achievement of the Group's strategic objectives.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20 SHARE-BASED PAYMENTS (CONTINUED)

#### Long Term Incentive Plans

##### FY24-FY26 LTIP Offer

The FY24-FY26 LTIP Offer has been made to the following current Executive KMP, receiving shareholder approval at the 2023 AGM. The below table outlines the key terms of the Offer:

<b>Eligibility to participate in LTIP Offer</b>	<p>Offers may be made at the Board's discretion to employees of Inghams or any other person the Board determines to be eligible to receive a grant under the Plan.</p> <p>The FY24-FY26 LTIP Offer has been made to the following current Executive KMP, subject to shareholder approval:</p> <ul style="list-style-type: none"> <li>Andrew Reeves (CEO/MD), (75% of TFR on Target and 150% of TFR at Maximum); and</li> <li>Gary Mallett (CFO), (35% of TFR on Target and 70% of TFR at Maximum).</li> </ul> <p>To calculate the on Target Total Remuneration LTIP component, the Threshold performance conditions are used.</p>										
<b>Offers under the Plan</b>	The LTIP Offer is a grant of performance rights.										
<b>Grant of Rights</b>	A Right entitles the participant to acquire an Inghams share for nil consideration at the end of the performance period, subject to meeting specific performance conditions. The Board retains the discretion to make a cash payment to participants on vesting of the Rights in lieu of an allocation of shares.										
<b>Quantum of Rights</b>	<p>The aggregate face value at maximum of the LTIP Offer to all participants (Executive KMP and Senior Management) is \$6.9 million.</p> <p>The final number of Rights awarded to each participant was calculated by dividing the face value of their LTIP award by \$3.4324, being the volume weighted average price (VWAP) of Inghams shares traded on the ASX in the 10 days after 17 August 2023 (the announcement date of Inghams FY23 annual results).</p>										
<b>Performance Period</b>	Three years, commencing on 25 June 2023 and ending on or about 1 July 2026.										
<b>Performance conditions</b>	<p><b>Relative TSR (50% of Award)</b></p> <p>For this component, the Company's relative TSR will be compared to a comparator group comprising the ASX Small Ordinaries and vest according to the following schedule:</p> <table border="1"> <thead> <tr> <th>COMPANY'S RELATIVE TSR RANK IN THE COMPARATOR GROUP OVER PERFORMANCE PERIOD</th> <th>% OF RIGHTS THAT VEST</th> </tr> </thead> <tbody> <tr> <td>Less than 50th percentile</td> <td>Nil</td> </tr> <tr> <td>At 50th percentile (threshold)</td> <td>50%</td> </tr> <tr> <td>Between 50th and 75th percentile</td> <td>Straight line pro rata Vesting between 50% and 100%</td> </tr> <tr> <td>At 75th percentile or above</td> <td>100%</td> </tr> </tbody> </table> <p><b>Return on invested capital (50% of award)</b></p> <p>For this component, the Company's underlying Return on Invested Capital pre AASB 16 ("ROIC") will be calculated as the equivalent of net operating profit after tax divided by average invested capital (2 point average). The Company's ROIC for each of the three years forming the performance period will be averaged to provide an overall outcome, with ROIC performance targets set out below (rather than retrospectively), following shareholder feedback.</p> <p>As noted in the Chair of the People and Remuneration Committee letter section of this report, the inventory trade payable facility is used for all feed purchased across Australia and New Zealand within the business. It is utilised for all feed purchases and only used for feed, not only because of management policy which is overseen by the Board, but also because of the terms of the facility. This policy ensures that changes in facility utilisation cannot be used to vary the ROIC outcome.</p>	COMPANY'S RELATIVE TSR RANK IN THE COMPARATOR GROUP OVER PERFORMANCE PERIOD	% OF RIGHTS THAT VEST	Less than 50th percentile	Nil	At 50th percentile (threshold)	50%	Between 50th and 75th percentile	Straight line pro rata Vesting between 50% and 100%	At 75th percentile or above	100%
COMPANY'S RELATIVE TSR RANK IN THE COMPARATOR GROUP OVER PERFORMANCE PERIOD	% OF RIGHTS THAT VEST										
Less than 50th percentile	Nil										
At 50th percentile (threshold)	50%										
Between 50th and 75th percentile	Straight line pro rata Vesting between 50% and 100%										
At 75th percentile or above	100%										

For personal use only

## 20 SHARE-BASED PAYMENTS (CONTINUED)

### Long Term Incentive Plans (continued)

<b>Performance conditions (continued)</b>	<p>The Board reserves discretion to make adjustments to ROIC in exceptional circumstances such as to take account of corporate actions undertaken by the Company, for example the acquisition of Bolivar in FY24.</p> <p>The level of vesting of this component will be determined according to the following schedule:</p> <table border="1"> <thead> <tr> <th>COMPANY'S ROIC OUTCOME</th> <th>% OF RIGHTS THAT VEST</th> </tr> </thead> <tbody> <tr> <td>Less than Threshold</td> <td>Nil</td> </tr> <tr> <td>At Threshold of 16.4% p.a.</td> <td>50%</td> </tr> <tr> <td>Between Threshold and Target</td> <td>Straight line pro rata Vesting between 50% and 75%</td> </tr> <tr> <td>At Target</td> <td>75%</td> </tr> <tr> <td>Between Target and Maximum</td> <td>Straight line pro rata Vesting between 75% and 100%</td> </tr> <tr> <td>At Maximum of 21.5% p.a. or more</td> <td>100%</td> </tr> </tbody> </table>	COMPANY'S ROIC OUTCOME	% OF RIGHTS THAT VEST	Less than Threshold	Nil	At Threshold of 16.4% p.a.	50%	Between Threshold and Target	Straight line pro rata Vesting between 50% and 75%	At Target	75%	Between Target and Maximum	Straight line pro rata Vesting between 75% and 100%	At Maximum of 21.5% p.a. or more	100%
COMPANY'S ROIC OUTCOME	% OF RIGHTS THAT VEST														
Less than Threshold	Nil														
At Threshold of 16.4% p.a.	50%														
Between Threshold and Target	Straight line pro rata Vesting between 50% and 75%														
At Target	75%														
Between Target and Maximum	Straight line pro rata Vesting between 75% and 100%														
At Maximum of 21.5% p.a. or more	100%														
<b>Voting and dividend entitlements</b>	<p>Performance rights granted under the LTIP do not carry dividend or voting rights prior to vesting. Shares allocated upon vesting of performance rights carry the same dividend and voting rights as other Inghams shares.</p>														
<b>Re-testing</b>	<p>Performance will not be re-tested if the performance conditions are not satisfied at the end of the performance period. Any Rights that remain unvested at the end of the performance period will lapse immediately.</p>														
<b>Restrictions on dealing</b>	<p>The Executive KMP must not sell, transfer, encumber, hedge or otherwise deal with performance rights. The Executive KMP will be free to deal with the shares allocated on vesting of the performance rights, subject to the requirements of Inghams Securities Dealing Policy at that time.</p> <p>A minimum amount of 25% of any vested equity award will need to be held for any relevant Executive KMP until the minimum shareholding requirement is met. Minimum shareholder requirements are detailed on page 92.</p>														
<b>Change of control</b>	<p>Under the Plan rules and the terms of the LTIP awards, the Board may determine in its absolute discretion that some or all of the Executive KMP performance rights will vest on a likely change of control.</p> <p>In the event of an actual change in the control of the Company then, unless the Board determines otherwise, all unvested performance rights will immediately vest or cease to be subject to restrictions (as applicable) on a pro rata basis based on the portion of the vesting period that has elapsed.</p>														
<b>Clawback</b>	<p>Under the Plan rules and the terms of the LTIP awards, the Board has claw back powers which it may exercise if, among other things:</p> <ul style="list-style-type: none"> <li>the Executive KMP has acted fraudulently or dishonestly;</li> <li>has engaged in gross misconduct, brought Inghams, the Inghams Group or any Inghams group company into disrepute or breached their obligations to the Inghams Group;</li> <li>Inghams is required by or entitled under law or Inghams policy to reclaim remuneration from the Executive KMP;</li> <li>there is a material misstatement or omission in the accounts of an Inghams Group company; or</li> <li>the Executive KMP entitlements vest or may vest as a result of the fraud, dishonesty or breach of obligations of any other person and the Board is of the opinion that the performance rights would not have otherwise vested.</li> </ul>														
<b>Cessation of employment</b>	<p>If the participant ceases employment for cause or due to their resignation, unless the Board determines otherwise, any unvested Rights will automatically lapse. The Board has the discretion to designate a 'good leaver' (e.g. retrenchment, bona fide executive retirement or death), whereby Rights will not automatically lapse. In these circumstances, the Rights will generally be pro-rated (based on the proportion of the performance period that has elapsed) and remain on foot and subject to the original performance conditions, unless the Board exercises a discretion to treat them otherwise.</p>														

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 20 SHARE-BASED PAYMENTS (CONTINUED)

#### Long Term Incentive Plans (continued)

<b>Fair Value</b>	The fair value of the LTIP offer at grant date was determined using an adjusted form of Black Scholes model for the TSR component. The ROIC component is valued using a discounted cashflow technique. The weighted average grant date fair value of rights granted in the year was \$2.86 (2023: \$1.98, 2022: \$2.58).  The model inputs for performance rights granted during the year ended included: (a) Exercise price \$Nil (2023: \$Nil, 2022: \$Nil) (b) Share price at grant date \$3.53 (2023: \$2.69, 2022: \$3.60) (c) Expected price volatility 30% (2023: 29%, 2022: 33%) (d) Expected dividend yield 5.0% (2023: 4.0%, 2022: 4.6%) (e) Risk-free interest rate 3.76% (2023: 4.07%, 2022: 0.81%)
-------------------	--

### 21 CASH FLOW INFORMATION

	2024 \$000	2023 \$000
<b>Reconciliation of profit after income tax</b>		
Profit after tax for the period	101,500	60,400
Depreciation	244,300	268,200
Finance costs	86,500	78,600
Share based payment expense	4,800	1,300
Share of Profit – joint venture	(900)	(400)
Fair value gain on acquisition of leased asset	(2,100)	–
Net loss on disposal of assets	–	1,400
Net (gain)/loss on leases disposal	(9,600)	600
Lease liability reassignment	–	(11,600)
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	34,000	(46,400)
(Increase)/decrease in biological assets	(3,700)	(24,200)
(Increase)/decrease in inventories	(16,800)	18,000
(Increase)/decrease in deferred tax asset	(8,600)	(10,400)
Increase/(decrease) in trade and other payables	(32,600)	9,500
Increase/(decrease) in income tax payable	12,800	4,400
Increase/(decrease) in other provisions	8,900	9,600
<b>Net cash provided by operating activities</b>	<b>418,500</b>	<b>359,000</b>

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 22 RELATED PARTY DISCLOSURES

#### Group Structure

##### (a) Parent entity

The ultimate parent entity of the group is Inghams Group Limited.

##### (b) Subsidiaries

The consolidated financial statements include the financial statements of Inghams Group Limited and its subsidiaries as follows:

NAME OF ENTITY	COUNTRY OF INCORPORATION	EQUITY HOLDING	
		2024 %	2023 %
Ingham Holdings II Pty Limited <sup>(a), (c)</sup>	Australia	100	100
Ingham Holdings III Pty Limited <sup>(a), (c)</sup>	Australia	100	100
Adams Bidco Pty Limited <sup>(a), (c)</sup>	Australia	100	100
Ingham Enterprises Pty Limited <sup>(a), (c)</sup>	Australia	100	100
Inghams Enterprises Pty Limited <sup>(a), (c)</sup>	Australia	100	100
The Free Ranger Pty Limited (formerly Ingham Finco Pty Limited) <sup>(b), (c)</sup>	Australia	100	100
Ingham 2 Pty Limited <sup>(b), (c)</sup>	Australia	100	100
Agnidla Pty Limited <sup>(b), (c)</sup>	Australia	100	100
Aleko Pty Limited <sup>(b), (c)</sup>	Australia	100	100
Inghams Enterprises (NZ) Pty Limited <sup>(a), (c)</sup>	Australia	100	100
Inghams Property Management Pty Limited <sup>(b), (c)</sup>	Australia	100	100
Inghams Property Hold Co Pty Limited <sup>(c)</sup>	Australia	100	–
Inghams Burton Property Trust	Australia	100	–
Inghams Property Co Pty Limited <sup>(c)</sup>	Australia	100	–
Ovoid Insurance Limited	Bermuda	100	100
Ovoid Insurance Pty Limited <sup>(b)</sup>	Australia	100	100
Inadnam Pty Limited <sup>(b), (c)</sup>	Australia	100	100
Inghams (NZ) No 2 Limited	New Zealand	100	100

(a) These subsidiaries have been granted relief from the necessity to prepare financial reports under the option available to the Company under ASIC Corporations (Wholly Owned Companies) Instrument 2016/785.

(b) These subsidiaries are not audited as they are small proprietary companies which are not required to prepare audited financial statements under ASIC Corporations (Audit Relief) Instrument 2016/784.

(c) These subsidiaries, along with Inghams Group Limited, form the Deed of Cross Guarantee Group described further from note 31.

##### (c) Key management personnel compensation

	2024 \$000	2023 \$000
Short-term employee benefits	3,941	3,937
Other long term benefits	30	31
Share based payments	2,154	880
Post employment benefits	117	151
<b>Key management personnel compensation</b>	<b>6,242</b>	<b>4,999</b>

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the Remuneration Report section of the Directors' Report.

No director has entered into a material contract with the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

For personal use only

## **22 RELATED PARTY DISCLOSURES GROUP STRUCTURE (CONTINUED)**

### **Group Structure (continued)**

#### **(d) Transaction with other related parties**

There are no loans to KMP and the directors do not intend to offer any loans in the future.

## **23 FINANCIAL RISK MANAGEMENT**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by a central treasury department. Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. Treasury provides overall risk management, covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments in accordance with the Group's facilities agreement and company policies.

The Group uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for economic hedging purposes and not as trading or speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and aging analysis for credit risk.

#### **Fair value hierarchy**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair value inputs are summarised as follows:

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value inputs are summarised as follows:

	FAIR VALUE HIERARCHY	NOTE	VALUATION TECHNIQUE
Derivatives	Level 2	16	Calculated as the present value of estimated future cash flows using a market based yield curve sourced from available market data quoted for all major interest rates.
Freehold land	Level 2	11	Freehold land based on prices for similar transactions of similar assets that have occurred recently in the market. Prices are adjusted to reflect differing terms of the actual transactions as well as differences in legal, economic and physical characteristics.
Freehold buildings	Level 3	11	Buildings based on the amount required to replace the service capacity of the asset considering the physical deterioration, function or economic obsolescence.

Freehold land and buildings are valued using independent valuers who use recent land and property sales adjusted for characteristics of the asset(s) being valued such as location and use.

Fair value hierarchy is re-assessed annually for any change in circumstance that may suggest a revised level be assigned to a type of balance measured at fair value.

## 23 FINANCIAL RISK MANAGEMENT (CONTINUED)

### (a) Market risk

#### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Management has a policy requiring Group companies to manage their foreign exchange risk against their functional currency. The Group companies are required to hedge their foreign exchange risk exposure arising from future commercial transactions and recognised assets and liabilities using forward contracts. Additionally, the Group will look to manage the translation exposure to foreign denominated profits through the use of derivatives such as forward contracts.

#### (ii) Foreign exchange sensitivity

The Group has some exposure to exchange rate risk as it purchases some of the supplies in foreign currencies and has subsidiaries with a New Zealand dollar (NZD) functional currency. The exposure to other currencies is collectively immaterial and as such the Group's foreign currency exposure is material in respect of NZD.

	IMPACT ON POST TAX PROFITS		IMPACT ON OTHER COMPONENTS OF EQUITY	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
+100 bp variability in exchange rate	-	100	900	700
-100 bp variability in exchange rate	-	(100)	(900)	(700)

#### (iii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates, expose the Group to cash flow interest rate risk. Group policy is to maintain at least 50% of its term borrowings at fixed rate using interest rate swaps to achieve this. During the year ended 29 June 2024, the Group's borrowings at variable rate were denominated in Australian Dollars.

The Group's borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

The Group manages its cash flow interest rate risk by using interest rate swaps. Under these swaps, the Group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

As at the end of the reporting period, the Group had the following interest rate swap contracts outstanding:

	NOTIONAL PRINCIPAL AMOUNT		INTEREST RATE	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Interest rate swap	200,000	200,000	nil-0.51%	nil-1.9%

The contracts require settlement of net interest receivable or payable every month. The settlement dates align with the dates on which interest is payable on the underlying debt.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 23 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (a) Market risk (continued)

##### Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of change in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges of borrowings.

	IMPACT ON POST TAX PROFITS		IMPACT ON OTHER COMPONENTS OF EQUITY	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
+100 bp variability in interest rate	(2,100)	(2,200)	4,100	3,200
-100 bp variability in interest rate	2,100	2,200	(4,200)	(3,300)

#### (iv) Commodity Price

The Group's exposure to commodity price risk arises from the requirement to purchase grain commodities to support the operations of the business. To manage the commodity price risk, the Group enters into forward contracts to purchase grain to provide forward coverage on price and volume. This is performed through monitoring market movements in commodity prices. As these are forward contracts for items to be used in the ordinary course of business, no derivative asset or liability is recognised at year end.

#### (b) Credit risk

Credit risk arises from cash and cash equivalents, in the money derivative financial instruments, deposits with banks and financial institutions and the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The Group has a credit policy which provides guidelines for the management of credit risk. The guideline provides for the manner in which the credit risk of customers is assessed and the use of credit ratings and other information in order to set appropriate account limits. Customers that do not meet minimum credit criteria are required to pay up front. Customers who fail to meet their account terms are reviewed for continuing credit worthiness.

The maximum exposure to credit risk at the reporting date is the carrying amount of the accounts receivable. For some trade receivables the Group may obtain security in the form of credit insurance. Revenues from two key customers accounted for 55% to 65% of revenue for the year ended 29 June 2024 (2023: 55% to 65%) relating to both operating segments.

Individual receivables which are known to be uncollectable are written off by reducing the carrying amount directly. The Group considers receivables to be in default when the following indicators are present:

- significant financial difficulties of the debtor; and
- probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments.

Receivables for which an impairment provision was recognised are written off against the provision when there is no reasonable expectation of recovering additional cash.

Impairment losses are recognised in profit or loss within other expenses. Subsequent recoveries of amounts previously written off are credited against other expenses.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 23 FINANCIAL RISK MANAGEMENT (CONTINUED)

#### (c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the Group's undrawn re-drawable term cash advance facility below) and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2024		2023	
	\$000 DRAWN	\$000 AVAILABLE	\$000 DRAWN	\$000 AVAILABLE
<b>Floating rate</b>				
Expiring beyond one year	460,000	85,000	400,000	139,000

The following liquidity risk disclosures reflect all contractually fixed repayments and interest resulting from recognised financial liabilities and derivatives as of 29 June 2024. The timing of cash flows for liabilities is based on the contractual terms of the underlying contract.

	CARRYING VALUE \$000	CONTRACTUAL CASH FLOWS \$000	LESS THAN 1 YEAR \$000	1 YEAR TO 5 YEARS \$000	MORE THAN 5 YEARS \$000
<b>2024</b>					
Trade payables	259,600	259,600	259,400	200	–
Inventory procurement trade payables	128,500	128,500	128,500	–	–
Other payables	38,200	38,200	38,200	–	–
Interest bearing liabilities	458,600	460,000	–	460,000	–
Lease liabilities	1,138,400	1,417,900	154,700	453,500	809,700
	<b>2,023,300</b>	<b>2,304,200</b>	<b>580,800</b>	<b>913,700</b>	<b>809,700</b>
<b>2023</b>					
Trade payables	297,300	297,300	296,300	1,000	–
Inventory procurement trade payables	132,200	132,200	132,200	–	–
Other payables	36,900	36,900	33,600	3,300	–
Interest bearing liabilities	398,800	400,000	–	400,000	–
Lease liabilities	1,368,500	1,797,500	205,600	819,100	772,800
	<b>2,233,700</b>	<b>2,663,900</b>	<b>667,700</b>	<b>1,223,400</b>	<b>772,800</b>

The Group has an inventory procurement trade payable with a third party financial institution, which is interest bearing with the principal purpose of facilitating efficient payment processing of supplier invoices. Trade bills of exchange are paid by the financial institution direct to the supplier and the Group settles the payable on extended payment terms. While the terms do not significantly extend payment terms beyond the normal terms agreed with other suppliers that are not participating, the programme assists in making cash outflows more predictable. The amount utilised and recorded within trade and other payables at 29 June 2024 was \$128.5 million (24 June 2023: \$132.2 million).

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 24 INTEREST IN JOINT ARRANGEMENTS

A subsidiary has a 50% interest in the joint venture entity, AFB International Pty Limited, the principal activity of which is the supply of high quality and performance palatability products under Bioproducts BioFlavor brand name to the pet food industry in Australia, New Zealand and the Pacific Rim. Information relating to the joint venture entity, presented in accordance with the accounting policy described in note 3(b), is set out below.

	OWNERSHIP INTEREST		CARRYING VALUE OF INVESTMENT	
	2024 %	2023 %	2024 \$000	2023 \$000
AFB International Pty Limited				
Pet food manufacturer	50	50	3,000	2,300
<b>Movement in investment in joint arrangements:</b>				
Opening balance			2,300	2,300
Add: share of net profit of joint venture			900	400
Less: dividend received from joint venture			(200)	(400)
<b>Closing balance</b>			<b>3,000</b>	<b>2,300</b>

During the year the Group sold goods and services to AFB International Pty Limited to the value of \$7,321,969 (2023: \$7,153,776). At balance date the amount owed from AFB International Pty Limited to the Group is \$604,997 (2023: \$671,267).

### 25 CONTINGENT LIABILITIES

#### Workers' Compensation

State WorkCover authorities require guarantees against workers' compensation self-insurance liabilities. The guarantee is based on independent actuarial advice of the outstanding liability. Workers' compensation guarantees held at each reporting date do not equal the liability at these dates due to the timing of issuing the guarantees.

The probability of having to make a payment under these guarantees is considered remote.

No provision has been made in the consolidated financial statements in respect of these contingencies, however provisions for self-insured risks, which includes liabilities relating to workers' compensation claims, have been recognised in the Consolidated Statement of Financial Position at the reporting date.

#### Claims

Inghams is subject to some lawsuits, claims and audits or reviews by regulatory bodies. As at reporting date, it is not possible to reasonably estimate the outcome of these matters or the outflow of resources (if any) that will be required to close the matter. Where outcomes can be reasonably predicted, provisions are recorded.

Inghams has been undergoing an audit by the Australian Taxation Office ('ATO'), and the ATO has recently issued a draft position paper of its contentions. The ATO has asserted that Inghams' R&D tax offset claims require adjustment under the *Income Tax Assessment Act 1997* for each of the income years 2019, 2020 and 2021 (the adjustment is approximately equal to the offset claimed of \$8.5 million in each year). If the ATO is successful, Inghams' income tax assessments would be amended for those years. The R&D expenditure claimed would remain subject to the normal tax deductibility rules already applied. R&D claims for income years 2022, 2023 and 2024 have not yet been submitted in Inghams' tax returns as there are further substantive steps including registrations and certifications required to complete the scope and measurement process. These matters are unrelated to the ATO concerns raised with respect to the 2019, 2020 and 2021 tax returns.

The accounting position involves significant judgement in the interpretation and application of the R&D offset provisions in the income tax laws and estimation uncertainty, however, is supported by advice obtained from the Company's tax advisors. Inghams intends to vigorously defend its position and contest the matter through litigation proceedings, if required.

Based on information available, Inghams does not consider it probable that the company's income tax assessment will be amended in relation to this matter and no uncertain tax provision was recognised as at 29 June 2024.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 26 COMMITMENTS

#### Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2024 \$000	2023 \$000
Property, plant and equipment	19,900	31,600

### 27 EARNINGS PER SHARE

Basic EPS is calculated by dividing profit for the year attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2024 \$000	2023 \$000
<b>Earnings</b>		
Profit attributable to ordinary equity holders for calculating basic and diluted EPS calculations	101,500	60,400

	NUMBER OF SHARES	
	'000	'000
<b>Number of ordinary shares</b>		
Weighted average number of ordinary shares used in the calculation of basic EPS	371,700	371,700
Dilutive effect of share options	2,100	1,310
Weighted average number of ordinary shares for diluted EPS	373,800	373,010
Basic EPS (cents per share)	27.3	16.3
Diluted EPS (cents per share)	27.2	16.2

For personal use only

## **28 ACQUISITION OF A BUSINESS**

### **(a) Acquisition of Bromley Park Hatcheries**

On 20 October 2023, Inghams Enterprises (NZ) Pty Limited, a wholly owned subsidiary, acquired the Bromley Park Hatcheries (BPH) business in New Zealand.

This acquisition enables the Group to secure a continued supply of breeder egg volumes in New Zealand.

The identifiable assets and liabilities acquired as a part of the BPH acquisition included biological assets, inventory and property, plant and equipment (inputs), production processes and an organised workforce, all of which contribute to the ability to generate revenue. On this basis the acquisition meets the definition of a business combination in accordance with AASB 3, and has been accounted for as such.

#### **(i) Identifiable assets acquired and liabilities assumed**

	\$000
Biological assets (birds and eggs)	3,300
Inventories	200
Property, Plant & Equipment	4,500
Employee provisions	(500)
Deferred tax liability	(900)
<b>Total identifiable net assets acquired</b>	<b>6,600</b>

The cash consideration transferred for this acquisition is equal to the fair value of the above identifiable net assets acquired, resulting in no goodwill or gain on bargain purchase being recognised in the financial statements.

#### **(ii) Acquisition-related costs**

The Group incurred acquisition-related costs of \$0.5 million on legal fees and due diligence costs in FY24. These costs have been included in 'Administration and selling'.

BPH's overall revenue and profit contribution are immaterial to the Group as Inghams was formerly the largest customer. This acquisition would not have contributed significantly to the Group's performance had the Group acquired BPH at the beginning of the year.

For personal use only

## **28 ACQUISITION OF A BUSINESS (CONTINUED)**

### **(b) Acquisition of Bostock Brothers**

On 1 July 2024, Inghams Enterprises (NZ) Limited, a wholly owned subsidiary, acquired the Bostock Brothers (BBL) organic chicken business in New Zealand for NZD \$35.3 million.

This acquisition aligns with the Inghams strategy to establish the Company as the leading premium operator in New Zealand market via exclusive market positioning and brand equity, vertically integrated supply chain with capacity for future growth and access to new markets.

The identifiable tangible assets and liabilities acquired as part of the BBL acquisition include biological assets, inventory and property plant and equipment, production processes and organised workforce, all of which contribute to the ability to generate revenue. On this basis the acquisition meets the definition of a business combination in accordance with AASB 3 and therefore will be consolidated into Inghams Group Limited from 1 July 2024.

The figures provided in the table below are provisional and a formal independent external valuation is to be completed and will be finalised within 12 months of acquisition date.

#### **(i) Identifiable assets acquired and liabilities assumed (Provisional)**

	NZD \$000	AUD \$000
Trade and other receivables	2,700	2,500
Biological assets	700	600
Inventories	2,100	1,900
Property, plant and equipment	29,600	27,200
Right-of-use-assets	800	700
Intangible assets	6,000	5,500
Trade and other payables	(1,700)	(1,600)
Provisions	(500)	(500)
Lease Liabilities	(800)	(700)
Deferred tax liability	(3,600)	(3,300)
<b>Total provisional net assets acquired</b>	<b>35,300</b>	<b>32,300</b>

#### **(ii) Acquisition-related costs**

The Group incurred acquisition costs of NZD \$1.9 million on legal fees and due diligence costs in financial year 2024. These costs have been included in 'Administration and selling'.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 29 REMUNERATION OF AUDITORS

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firm.

	2024 \$000	2023 \$000
<i>Amounts received or due and receivable by KPMG for:</i>		
Audit and review services	894	850
Other services	–	–
Other assurance services*	4	24
<b>Total amount paid or payable to auditors</b>	<b>898</b>	<b>874</b>

\* Other assurance services provided for FY24 relate to the compliance of bank covenants.

### 30 PARENT ENTITY FINANCIAL INFORMATION

#### Summary financial information

	2024 \$000	2023 \$000
Current assets	1,200	400
Non-current assets	596,200	522,700
<b>Total assets</b>	<b>597,400</b>	<b>523,100</b>
Current liabilities	15,500	2,000
Non-current liabilities	458,200	401,300
<b>Total liabilities</b>	<b>473,700</b>	<b>403,300</b>
<b>Net assets/(liabilities)</b>	<b>123,700</b>	<b>119,800</b>
<b>Equity</b>		
Contributed equity	107,200	107,200
Accumulated profit/(losses)		
Accumulated losses	(92,300)	(92,300)
Profit reserve	91,100	89,500
Cash flow hedge reserve	3,400	8,900
Share-based payments reserve	13,800	6,500
	<b>123,200</b>	<b>119,800</b>
<b>Profit for the year</b>	<b>83,400</b>	<b>74,800</b>
<b>Total comprehensive income</b>	<b>83,400</b>	<b>74,800</b>

The parent entity continues to be a going concern despite the net current liability, as the Group has a Deed of Cross Guarantee in place, along with undrawn funding lines.

The parent entity does not have any commitments, contingent liabilities or guarantees as at 29 June 2024.

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31 DEED OF CROSS GUARANTEE

Inghams Group Limited and all of the subsidiaries shown as (c) in note 22 are parties to a deed of cross guarantee dated 22 May 2017, under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly Owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

#### (a) Consolidated income statement, statement of comprehensive income and summary of movements in retained earnings

The companies shown as (c) in note 22 represent a 'closed group' for the purposes of the Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Inghams Group Limited, they also represent the 'extended closed group'.

Set out below is a condensed consolidated income statement, consolidated statement of comprehensive income and a summary of movements in consolidated retained earnings for the period ended 29 June 2024 of the closed group.

	2024 \$000	2023 \$000
<b>Consolidated income statement</b>		
<b>Revenue from continuing operations</b>		
Revenue	3,262,000	3,044,000
<b>Other income</b>		
Other income	500	3,200
<b>Expenses</b>		
Cost of sales	(2,641,300)	(2,532,900)
Distribution	(210,000)	(201,300)
Administration and selling	(185,100)	(163,300)
Net finance costs	(83,600)	(76,200)
Share of net profit of associate	900	400
<b>Profit before income tax</b>	<b>143,400</b>	<b>73,900</b>
Income tax expense	(41,700)	(13,700)
<b>Profit for the year</b>	<b>101,700</b>	<b>60,200</b>
<b>Consolidated statement of comprehensive income</b>		
Profit for the year	101,700	60,200
Other comprehensive income	(6,300)	700
<b>Total comprehensive income for the year</b>	<b>95,400</b>	<b>60,900</b>

For personal use only

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

### 31 DEED OF CROSS GUARANTEE (CONTINUED)

#### (b) Consolidated balance sheet

Set out below is a consolidated balance sheet of the closed group.

	2024 \$000	2023 \$000
Cash and cash equivalents	107,000	134,200
Trade and other receivables	234,100	268,300
Biological assets	163,500	159,800
Inventories	237,500	220,500
Derivative Financial Instruments	1,700	2,200
<b>Total current assets</b>	<b>743,800</b>	<b>785,000</b>
Property, plant and equipment	602,000	493,800
Equity accounted investments	3,000	2,300
Right-of-use assets	1,011,700	1,275,600
Derivative Financial Instruments	600	1,200
Deferred tax assets	22,900	14,300
<b>Total non-current assets</b>	<b>1,640,200</b>	<b>1,787,200</b>
<b>Total assets</b>	<b>2,384,000</b>	<b>2,572,200</b>
Trade and other payables	425,300	462,100
Current tax payable	15,800	3,000
Provisions	104,100	98,300
Lease liabilities	127,400	154,600
Related party payables	9,500	11,200
<b>Total current liabilities</b>	<b>682,100</b>	<b>729,200</b>
Trade and other payables	7,700	3,300
Borrowings	458,600	398,800
Provisions	37,200	37,500
Lease liabilities	991,000	1,213,900
<b>Total non-current liabilities</b>	<b>1,494,500</b>	<b>1,653,500</b>
<b>Total liabilities</b>	<b>2,176,600</b>	<b>2,382,700</b>
<b>Net assets</b>	<b>207,400</b>	<b>189,500</b>
<b>Equity</b>		
Contributed equity	104,600	104,600
Other reserves	44,700	46,500
Retained earnings	58,100	38,400
<b>Total equity</b>	<b>207,400</b>	<b>189,500</b>

For personal use only

### **32 EVENTS AFTER THE REPORTING PERIOD**

Subsequent to the year end a dividend of 8.0 cents per share has been declared on 23 August 2024 totalling \$29.7 million, payable on 9 October 2024. The financial effect of this dividend has not been brought to account in these consolidated financial statements and will be recognised in subsequent financial reports.

Also subsequent to the year end, on 1 July 2024, Inghams completed the acquisition Bostock Brothers Limited business in New Zealand (refer to note 28).

Other than the dividend declaration and matter noted above, the directors of the Company are not aware of any other matter or circumstance not otherwise dealt with in the financial report that significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs in the period subsequent to the year ended 29 June 2024.

For personal use only

# DIRECTORS' DECLARATION

1. In the opinion of the directors:
  - (a) the consolidated financial statements and notes set out on pages 96 to 142 are in accordance with the *Corporations Act 2001*, including:
    - (i) giving a true and fair view of the Group's financial position as at 29 June 2024 and of its performance for the financial year ended on that date, and
    - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
  - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 3(a); and
  - (c) the Consolidated entity disclosure statement as at 29 June 2024 set out on page 94 is true and correct; and
  - (d) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe the Company and the Group entities identified in note 31 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Corporations (*Wholly Owned Companies*) Instrument 2016/785.
3. The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer, for the financial year ended 29 June 2024.
4. The directors draw attention to note 3(a) to consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the directors.



**Helen Nash**  
Chair

Sydney  
23 August 2024



**Michael Ihlein**  
Non-Executive Director

For personal use only

# INDEPENDENT AUDITOR'S REPORT



## Independent Auditor's Report

To the shareholders of Inghams Group Limited

### Report on the audit of the Financial Report

#### Opinion

We have audited the **Financial Report** of Inghams Group Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 29 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Consolidated Statement of financial position as at 29 June 2024
- Consolidated income statement, Consolidated statement of comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 29 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The **Group** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year. The year is the 53-week period ended on 29 June 2024.

#### Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of Inghams Group Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

107

KPMG, an Australian partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organisation. Liability limited by a scheme approved under Professional Standards Legislation.

For personal use only



**Key Audit Matters**

The **Key Audit Matters** we identified are:

- Accounting for revenue
- Accounting for Leases AASB16

**Key Audit Matters** are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Accounting for revenue - (\$3,262.0 million)	
Refer to Notes 3 (d) and 4 to the Financial Report	
The key audit matter	How the matter was addressed in our audit
<p>The Group's policy is to recognise revenue at the fair value of the consideration received or receivable and is net of returns, trade allowances, rebates and amounts collected on behalf of third parties, when goods have been dispatched to a customer pursuant to a sales order and control of the goods has passed to a carrier or customer.</p> <p>The accounting for revenue is a key audit matter due to the:</p> <ul style="list-style-type: none"> <li>• Materiality of revenue, trade allowances and rebates to the financial report;</li> <li>• Variety of customer-specific contractual arrangements for trade allowances and rebates, increasing the audit effort to address these specific conditions;</li> <li>• The audit effort to test the high volume of individual revenue transactions; and</li> <li>• The Group has manual processes and controls which may increase the risk of potential error in the recognition of product revenue, in particular in the last week of the reporting period. This increased our audit effort to test higher samples of revenue transactions in the last week of the reporting period.</li> </ul> <p>In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• Considering the appropriateness of the Group's accounting policies regarding revenue recognition, trade allowances and rebates against the requirement of the Australian Accounting Standards;</li> <li>• Obtaining an understanding of the revenue recognition process, including trade allowances and rebates. We tested key revenue process controls such as system configuration to generate complete and accurate sales invoices from sales orders and review and authorisation of price changes.</li> <li>• Utilising advanced and rules-based data analysis to identify gross revenue transactions with specific characteristics to focus our further testing. We selected a sample for further testing to underlying documentation.</li> <li>• For each sample selected, we:             <ul style="list-style-type: none"> <li>- Checked the amount of revenue recorded by the Group to the amount of the sales invoice and cash receipts obtained from the Group's bank statements; and</li> <li>- Checked the date the revenue was recognised by the Group to proof of delivery documents and/or customer correspondence, assessing the date the customer obtained control, and products were delivered and accepted by the customer.</li> </ul> </li> </ul>

For personal use only



	<ul style="list-style-type: none"> <li>• Selecting a sample of revenue transactions, for the period of one week before and one week after year end due to the increased risk of potential error. For each sample selected we:             <ul style="list-style-type: none"> <li>- Checked the amount of revenue recorded by the Group to the amount of the sales invoiced to the customer; and</li> <li>- Checked the date the revenue was recognised to proof of delivery documents and/or customer correspondence, assessing the date the customer obtained control, and products were delivered and accepted by customers.</li> </ul> </li> <li>• Checking a sample of rebates and trade allowances recorded to claims received by customers;</li> <li>• Comparing the amount of the trade allowances and rebates by customer as a percentage of gross revenue to the prior year;</li> <li>• Assessing the trade allowance and rebate accruals recognised at balance date for a sample of significant customers by:             <ul style="list-style-type: none"> <li>- Calculating an expected trade allowance and rebate accrual per customer based on specific customer trading and settlement terms and the gross revenue amount for the time period since last payment date to balance date; and</li> <li>- Comparing this to the Group's recognised balance date accrual; and</li> </ul> </li> <li>• Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard.</li> </ul>
--	---

For personal use only



**Accounting for AASB 16 Leases – (right of use assets and lease liabilities amounting to \$1,031.7 million and \$1,138.4 million respectively)**

Refer to Notes 3 (n), 12 and 23 to the Financial Report

The key audit matter	How the matter was addressed in our audit
<p>AASB 16 Leases (“AASB 16”) is complex with specific lease-features driving different accounting outcomes, increasing the need for interpretation and judgement.</p> <p>AASB 16 Leases is a key audit matter due to the:</p> <ul style="list-style-type: none"> <li>• Relative materiality of the right of use assets and lease liabilities to the financial report.</li> <li>• Number of leases in the Group, including the individual nature of the lease agreements used to estimate the lease liability and right-of-use asset. A focus for us was the accuracy of multiple and varied inputs which may drive different accounting outcomes, including key dates, fixed and variable rent payments, renewal options and incentives.</li> </ul> <p>The key areas of judgement we focussed on was in assessing the Group’s:</p> <ul style="list-style-type: none"> <li>• Renewal options contained within leases. Assessing the Group’s determination of whether it is reasonably certain renewal options will be exercised impacts the measurement of the lease, therefore is critical to the accuracy of the accounting.</li> <li>• Grower contractual arrangements and the features of the underlying grower contracts against the definition of a lease under the accounting standards.</li> <li>• Incremental borrowing rates determined by the Group. These are meant to reflect the Group’s entity specific credit risk and vary based on each lease term.</li> </ul> <p>We involved our senior audit team members in assessing these areas.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>• Considering the appropriateness of the Group’s accounting policies against the requirements of the accounting standard and our understanding of the business and industry practice;</li> <li>• Obtaining an understanding of the Group’s processes used to calculate the lease liability, right-of-use asset, depreciation, and interest expense;</li> <li>• Reading a sample of contracts, including the grower contracts. We compared the relevant features of the underlying contracts to the definition of a lease in the accounting standards to assess the accounting treatment recognised by the Group;</li> <li>• Comparing the Group’s inputs in the AASB 16 lease calculation model, such as key dates, fixed and variable rent payments, renewal options and incentives, for consistency to the relevant terms of a sample of underlying signed lease agreements;</li> <li>• Challenging the Group’s assumptions, such as the Group’s assessment of each lease’s incremental borrowing rate and contracted extension options by:             <ul style="list-style-type: none"> <li>– Using our understanding of the Group’s business;</li> <li>– Independently developing an incremental borrowing rate by considering the:                 <ul style="list-style-type: none"> <li>o Group’s external credit rating;</li> <li>o Each lease’s remaining tenor;</li> <li>o Corporate bond yield curves; and</li> <li>o The Group’s strategic direction for each leased site;</li> </ul> </li> <li>– Comparing the independently developed expected lease liability range to the lease liability value recorded by the Group</li> </ul> </li> </ul>

For personal use only

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**



	<ul style="list-style-type: none"> <li>Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standard</li> </ul>
--	---

**Other Information**

Other Information is financial and non-financial information in Inghams Group Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

**Responsibilities of the Directors for the Financial Report**

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Report**

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

For personal use only

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)**



Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)  
This description forms part of our Auditor's Report.

**Report on the Remuneration Report**

**Opinion**

In our opinion, the Remuneration Report of Inghams Group Limited for the year ended 29 June 2024, complies with *Section 300A* of the *Corporations Act 2001*.

**Directors' responsibilities**

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

**Our responsibilities**

We have audited the Remuneration Report included in pages 72 to 93 of the Directors' report for the year ended 29 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

Trent Duvall

*Partner*

Sydney

23 August 2024

For personal use only

# SHAREHOLDER INFORMATION

## TWENTY LARGEST REGISTERED SHAREHOLDERS (AS AT 12 SEPTEMBER 2024)

RANK	NAME	UNITS	% OF ISSUED CAPITAL
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	122,323,600	32.91
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	86,186,402	23.19
3	CITICORP NOMINEES PTY LIMITED	39,412,468	10.60
4	NATIONAL NOMINEES LIMITED	4,418,194	1.19
5	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING A/C>	2,985,378	0.80
6	BNP PARIBAS NOMS PTY LTD	2,984,729	0.80
7	FIRST SAMUEL LTD ACN 086243567 <ANF ITS MDA CLIENTS A/C>	2,394,176	0.64
8	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,025,039	0.54
9	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	1,618,605	0.44
10	MASFEN SECURITIES LIMITED	1,500,000	0.40
11	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	1,351,565	0.36
12	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,015,721	0.27
13	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	987,855	0.27
14	BM CARR ENTERPRISES PTY LTD <CARR INVESTMENT A/C>	827,000	0.22
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	796,389	0.21
16	MS ROBYN LEE HIND + MR ROBERT EDWARD HIND + MRS RUTH ETHEL HIND	735,552	0.20
17	NCH PTY LTD	571,457	0.15
18	IOOF INVESTMENT SERVICES LIMITED <IPS SUPERFUND A/C>	525,628	0.14
19	BNP PARIBAS NOMS (NZ) LTD	519,856	0.14
20	WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	473,469	0.13
<b>Top 20 holders of FULLY PAID ORDINARY SHARES (Total)</b>		<b>273,653,083</b>	<b>73.63</b>
<b>Total Remaining Holders Balance</b>		<b>98,026,518</b>	<b>26.37</b>

## DISTRIBUTION OF HOLDINGS (AS AT 12 SEPTEMBER 2024)

RANGE	NUMBER OF HOLDERS	NUMBER OF SHARES	% OF ISSUED CAPITAL
100,001 and over	73	283,883,250	76.38
10,001 – 100,000	2,172	50,320,852	13.54
5,001 – 10,000	2,566	19,587,686	5.27
1,001 – 5,000	5,693	15,634,574	4.21
1 – 1,000	4,368	2,253,239	0.61
<b>Total</b>	<b>14,872</b>	<b>371,679,601</b>	<b>100.00<sup>1</sup></b>

1. Minor difference in total due to rounding.

There are 637 shareholders holding less than a marketable parcel of shares (as at 12 September 2024).

For personal use only

## SHAREHOLDER INFORMATION (CONTINUED)

### SUBSTANTIAL SHAREHOLDERS (AS DISCLOSED IN SUBSTANTIAL HOLDER NOTICES GIVEN TO THE COMPANY AS AT 12 SEPTEMBER 2024)

SHAREHOLDER	NUMBER OF SHARES	% OF ISSUED CAPITAL
AustralianSuper	36,560,843	9.84
FMR	24,052,357	6.47
Vanguard Group	20,044,740	5.39
State Street Corporation	19,973,452	5.37

### ESCROW SECURITIES

As at 12 September 2024, there were no shares subject to escrow agreements.

### UNQUOTED EQUITY SECURITIES

As at 12 September 2024, the total number of performance rights on issue equalled 5,897,033 held by 27 individual participants. The number of deferred share rights on issue equalled 295,525 held by seven individual participants. Both performance rights and deferred share rights are securities issued under an employee incentive scheme.

### SHARES AND VOTING RIGHTS

All 371,679,601 issued shares in the Company are ordinary shares, held by 14,872 shareholders. Voting rights for ordinary shares are:

- on a show of hands, one vote for each shareholder; and
- on a poll, one vote for each fully paid ordinary share.

There is no current on-market buy-back.

### SECURITIES PURCHASED ON-MARKET

During the reporting period, 29,441 fully paid ordinary shares were purchased on-market, at an average price of \$3.3684 per share for the purposes of satisfying rights that vested under the Company's employee incentive schemes.

For personal use only

---

## CORPORATE DIRECTORY

### DIRECTORS

Helen Nash  
Rob Gordon  
Michael Ihlein  
Margaret Haseltine  
Timothy Longstaff  
Linda Bardo Nicholls AO  
Andrew Reeves

### COMPANY SECRETARIES

Marta Kielich  
Gary Mallett

### REGISTERED OFFICE

Level 4  
1 Julius Avenue  
North Ryde NSW 2113 Australia  
Tel: 02 9826 4444  
Website: [www.inghams.com.au](http://www.inghams.com.au)

### AUDITORS

#### KPMG

Level 38, Tower Three  
International Towers Sydney  
300 Barangaroo Avenue  
Sydney NSW 2000

### SHARE REGISTRY

#### Computershare Investor Services Pty Ltd

GPO Box 2975  
Melbourne VIC 3001

Tel: 1300 850 505  
+61 3 9415 4000

Email: [Web.Queries@computershare.com.au](mailto:Web.Queries@computershare.com.au)  
Website: [www.computershare.com.au](http://www.computershare.com.au)

### AUSTRALIAN SECURITIES EXCHANGE

ASX code: ING

For personal use only

For personal use only

For personal use only



[ingham.com.au](http://ingham.com.au)