

For personal use only



Wellard

Annual General Meeting

29 November 2017

Disclaimer and Additional Information



This presentation has been prepared by and concerns Wellard Limited (Wellard) and consists of these slides and any accompanying commentary. By reviewing/attending this presentation, you acknowledge the following statements / information in this disclaimer.

FORWARD LOOKING STATEMENTS

This presentation contains forward looking statements that are subject to risk factors associated with all industry segments in which Wellard operates, including livestock selection, aggregation and transportation, pre-export quarantine facilities and feed milling. All statements other than the statements of historical facts included in this presentation, including, without limitation, those regarding Wellard's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Wellard's products and services and forecasts) are forward looking statements. In addition to the categories of risk set out here, such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Wellard, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

While Wellard considers the assumptions on which these statements are based to be reasonable, whether circumstances actually occur in accordance with these statements may be affected by a variety of factors. These include, but are not limited to, levels of actual demand, currency fluctuations, human factors, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risk, project delay or advancement, approvals and cost estimates. These could cause trends or results to differ from the forward looking statements in this presentation.

NOT FINANCIAL PRODUCT ADVICE

This presentation is for information purposes only and is not financial product or investment advice, nor a recommendation to acquire Wellard shares. It has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal and taxation advice appropriate to their jurisdiction.

PAST PERFORMANCE

Past performance information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Nothing in this presentation should be interpreted to mean that future earnings per share of Wellard will necessarily match or exceed its historical published earnings per share.

All references to dollars, cents, or \$ in this presentation are to Australian currency, unless otherwise stated.

References to "Wellard", or the "Company", are references to Wellard Limited ACN 607 708 190, or its subsidiaries.

For personal use only



Welcome, Overview and Introductions

Agenda



1. Welcome, Overview and Introductions
2. Chairman's Address: FY2017 Result
3. Executive Director – Operations Report
4. Questions and Answers
5. Formal Business of the AGM
6. End of Meeting

For personal use only



Chairman's Address



**LARGEST
CATTLE EXPORTER
IN AUSTRALIA**



SHIP DISTANCE TRAVELLED:
EQUIVALENT TO

15 X

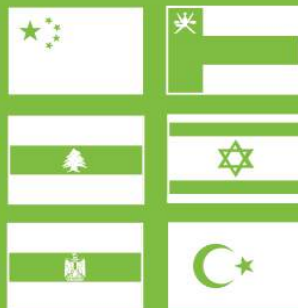
AROUND THE WORLD



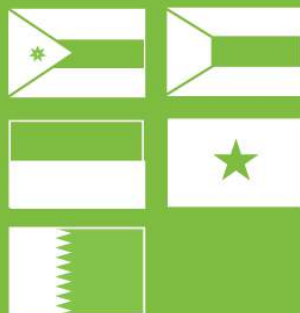
**OVER 161
FULL TIME
STAFF
EMPLOYED**



ESCAS
FACILITIES
298



**COUNTRIES
EXPORTED TO**



OCEAN DROVER,
OCEAN SHEARER,
OCEAN SWAGMAN,
OCEAN UTE



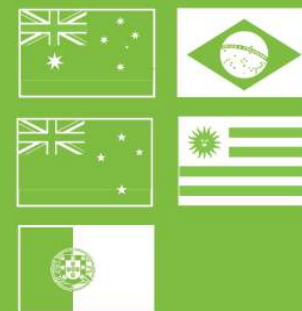
44

INDIVIDUAL
VOYAGES

MAJOR ESCAS
INCIDENTS
NIL

37

YEARS OPERATING
IN AUSTRALIA



**COUNTRIES
EXPORTED FROM**



LIVESTOCK EXPORTED

**304,208
CATTLE AND
80,143 SHEEP**

For personal use only



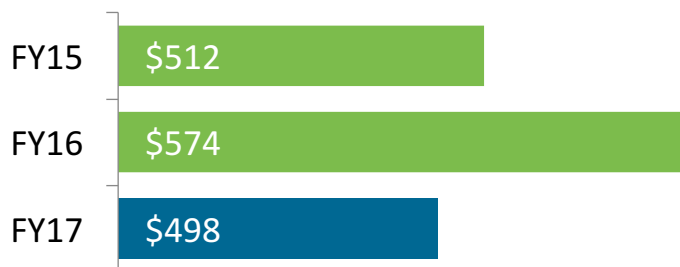
FY2017 Result

Key Financial Results – P&L



Strategic assets are fixed costs so revenue impact on EBITDA/NPAT is considerable

Revenue (m)



EBITDA (m)



NPAT (m)



Commentary

Results were disappointing
Non-cash and non-recurring costs/revenue also impacted the results

- \$13.1m loss on sale of MV Ocean Outback
- \$6.8m on others such as impairments, write off or provision of bad debts

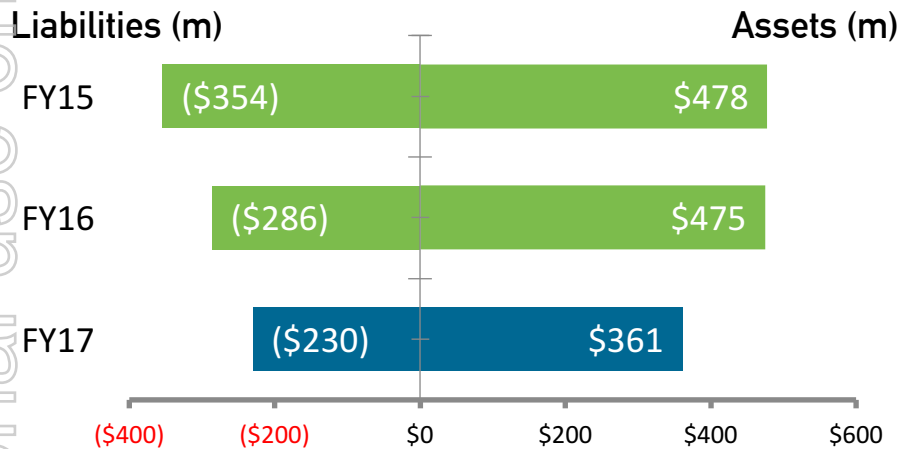
Results displayed are statutory results so include IPO costs in FY16

For personal use only

Key Financial Results – Balance Sheet



For personal use only



Net assets (m)



Commentary

- Cash balances improved due to sale of assets.
- Ongoing support from all lenders.

FY17

- Net tangible per security (cps) 27.4
- Net debt to capital ratio 55%

Results displayed are statutory results so include IPO costs in FY16

Strategic Themes

For personal use only



Balanced portfolio
of markets



Effective & efficient
processes



Committed
clients



Diversified &
secured supply



Vertical
integration

For personal use only



Operational Update

Looking Back...

- Increase in livestock shipping capacity driven by opening of China market for beef cattle exports
- Good rainfall in northern Australia led to significant restocking
- Cattle prices reached historic highs in 2016
- Excess tonnage + short supply = margin erosion

Looking Forward...

- Some Australian prices starting to ease. China beef cattle market becoming viable
- Turkey emerging as a larger importer, mainly from South America
- Greater focus on quality of livestock shipping

Eastern Young Cattle Indicator

Source: MLA, Nov 2017



Plan to Achieve a Balanced Portfolio of Markets



Key Demand Markets



Europe / Mediterranean

- Turkey: Imported 36,555 cattle from Australia, > 200,000 cattle from South America in past 12 months
- **Wellard Positioning:** Developing. Currently chartering vessels to 3rd parties



Middle East & North Africa

- Qatar: imported 597,000 sheep from Australia in past 12 months
- Oman: Imported 93,923 sheep
- **Wellard Positioning:** Historically active and well known in these markets. Re-establishing a presence.



China

- China: Imported 65,270 cattle from Australia in past 12 months
- **Wellard Positioning:** Delivered a number of breeding and dairy cattle shipments. Completed first shipment of slaughter cattle.



South East Asia

- Indonesia: Imported 575,628 cattle from Australia in past 12 months
- Vietnam: 160,049 cattle
- **Wellard Positioning:** Market leader but facing price resistance in current environment

Key Supply Markets

South America

Cattle Population: > 220 million



Wellard Status: Presence in Brazil and Uruguay with maturing export capability

Australia

Cattle Population: ~ 27 million



Wellard Status: Well established presence and export capability

For personal use only

Operational Reset – Longer Term



For personal use only



- Cut overheads (*On Track*; reductions by \$10m / 27% annualised y.o.y.)
- Eliminate waste
- Maximise effectiveness
- Maintain relationships & rebuild market credibility

- Improve financial performance (EBITDA positive y.t.d. October 2017)
- Focus on effectiveness and efficiency
- Preserve working capital needs

- Re-establish leadership position
- Quality and service differentiation
- Balanced portfolio of clients and markets

- Increase shipping capacity
- Optimise resource utilisation
- Grow committed client base and diversify risk
- Explore integration opportunities

- Continuous improvement
- Downstream & upstream integration opportunities to deliver value and reduce operating risks



For personal use only

- Committed to the highest standards of animal welfare
- Compliant with all regulatory standards & continual investment in initiatives over-and-above the regulatory requirements
- State of the art, purpose built livestock carriers ensure that Wellard remains a market leader in quality livestock shipping
- Supportive of new standards based approach considered by regulators
- Industry leader - smartphone apps, scanners, slaughter equipment, auditing, training & education

Key Assets – Livestock Shipping Fleet



For personal use only



Ocean Shearer

-  75,000 sheep
-  20,000 cattle



Ocean Drover

-  75,000 sheep
-  18,000 cattle



Ocean Swagman

-  25,000 sheep
-  6,000 cattle



Ocean Ute

-  20,000 sheep
-  5,000 cattle

- One of the youngest fleets in the industry
- All vessels are fully AMSA compliant and can operate across the globe
- Superior ventilation, fresh water production and feeding systems
- On-board stockmen and crew trained in low stress animal handling
- Fleet managed by Welltech Marine, Wellard's in-house ship management company

Key Assets – Facilities

The company operates a number of facilities that complement its international trading program



Livestock Feed Mill

- 60,000 tonnes production p.a.
- Utilised on Wellard vessels and feedlots
- 13,000t storage capacity



Sheep Export Depot

- Capacity > 80,000 sheep
- 320ha of grazing land
- Fully automated water & fodder distribution
- 30km from Fremantle Port



Cattle Export Depot

- Capacity > 8,000 cattle
- 340ha of grazing land
- Fully covered working yards
- 80km from Portland Port



Sheep & Goat Abattoir

- Located near Kojonup in the South West of Western Australia
- Processing ~2,000 sheep per day
- Halal approved and USDA accredited

Operational Outlook



For personal use only

MARKET

- Very difficult market – not expected to see material improvements until at least the middle of calendar year 2018
- Opportunities in difficult market still exist – seeing some optimism for increased Middle East trade and have completed successful first pilot shipment to China

ASSETS

- Fleet allows for charter opportunities and significant ability to capture any improvement in market conditions
- Non-fleet assets allow for strategic positioning and assist business development in potentially lucrative markets

FINANCING

- Cost-control and efficiency is a key focus at all levels of the business – Currently on track for annual overhead savings of at least \$10 million
- Financiers have remained supportive of Wellard and we anticipate their continued support

OPPORTUNITIES

- Good potential for growth based on Chinese demand
- Innovation and process optimisation driving cost savings through efficiencies
- Potential for regulatory changes favouring younger, more advanced fleets

PEOPLE, CULTURE AND CUSTOMERS

- “One Wellard” approach – transparent and co-operative culture
- Prioritise employee safety and animal welfare at all levels
- Customers at the centre of the Wellard business

For personal use only



Questions and Answers

For personal use only



Formal Business

Agenda



For personal use only

RESOLUTION 1:

Remuneration Report

RESOLUTION 2:

Confirmation of Appointment of Mr. John Klepec as Director

RESOLUTION 3:

Confirmation of Appointment of Mr. Kanda Lu as Director

RESOLUTION 4:

Confirmation of Appointment of Mr. Fred Tronccone as Director

RESOLUTION 5 – Resolution Withdrawn

Approval of 10% Placement Facility

RESOLUTION 6:

Grant of Executive Share Options to Mr. Fred Tronccone under the Wellard Executive Share Option Plan

RESOLUTION 7:


Spill Resolution (Contingent Upon Outcome of Resolution 1)

Notice Requirements



Notice of Meeting distributed 27 October 2017

For personal use only



2016/17
NOTICE OF ANNUAL
GENERAL MEETING

The annual general meeting of the Company will be held at **Botanical 4, Lower Level, Crown Convention Centre, Great Eastern Highway, Burswood, Western Australia** on **Wednesday, 29 November 2017 at 10.00am (WST)**.

This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on **+61 8 9432 2800**.

Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.

WELLARD LIMITED
ACN 607 708 190



LODGE YOUR VOTE	
ONLINE	www.linkmarketservices.com.au
BY MAIL	Wellard Limited C/- Link Market Services Limited Lockhart Bay 414 Sydney South NSW 1225 Australia
BY FAX	+61 2 9287 0309
BY HAND	Link Market Services Limited 14 Northcreek Bay Drive, Rhodes NSW 2138
ALL ENQUIRIES TO	Telephone: +61 1300 554 474



PROXY FORM
I/We being a member(s) of Wellard Limited and entitled to attend and vote hereby appoint:

STEP 1 APPOINT A PROXY
the Chairman of the Meeting (mark box) OR if you are NOT appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy.

STEP 2 VOTING DIRECTIONS
Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions carefully before marking any boxes with an .

Resolutions	For Against Abstain		Board Recommendation: The Board recommends shareholders vote AGAINST Resolution 7.
	For	Against	Abstain
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Confirmation of Appointment of Mr John Hooper as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Confirmation of Appointment of Mr Nigel Lu as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Confirmation of Appointment of Mr Fred Rignone as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of Dividend Payment Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Grant of Executive Share Options to Mr Fred Rignone under the Wellard Executive Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Split Resolution (Contingent upon Outcome of Resolution 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 3 SIGNATURE OF SECURITYHOLDERS - THIS MUST BE COMPLETED

Securityholder 1 (Individual) Joint Securityholder 2 (Individual) Joint Securityholder 3 (Individual)

Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed by the securityholder. If a joint holding, either securityholder may sign. If signed by the securityholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

WLD PRX1702N

Voting : Poll Called by the Chairman



Under Item 10.9 of Wellard Limited's constitution, the Chair of a general meeting may determine that a poll be taken on any resolution.

Accordingly, the Chairman has determined to call a poll on ALL resolutions to be put to the meeting.

Link Market Services will provide instructions as to how the polling is to be conducted.

For personal use only

Resolution 1: Remuneration Report

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act and for all other purposes, approval is given by the Shareholders for the adoption of the Remuneration Report on the terms and conditions in the Explanatory Memorandum."

Proxies and Online Voting received as at 10.00am on 27 November 2017:

In Favour	Against	Open	Abstention
264,553,308	3,341,773	3,072,620	1,694,585
97.63%	1.23%	1.23%	

Confirmation of Appointment of Mr John Klepec



Resolution 2: Confirmation of Appointment of Mr John Klepec as Director

"That, pursuant to and in accordance with Listing Rule 14.4, rule 11.3(a) of the Constitution and for all other purposes, Mr John Klepec, who was appointed as an addition to the Board, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."

Proxies and Online Voting received as at 10.00am on 27 November 2017:

In Favour	Against	Open	Abstention
268,590,556	7,083,175	83,257,620	373,840
74.83%	1.97%	23.20%	

For personal use only

Confirmation of Appointment of Mr Kanda Lu



Resolution 3: Confirmation of Appointment of Mr Kanda Lu as Director

"That, pursuant to and in accordance with Listing Rule 14.4, rule 11.3(a) of the Constitution and for all other purposes, Mr Kanda Lu, who was appointed as an addition to the Board, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."

Proxies and Online Voting received as at 10.00am on 27 November 2017:

In Favour	Against	Open	Abstention
268,266,033	7,407,698	83,257,620	373,840
74.83%	2.06%	23.20%	

For personal use only

Confirmation of Appointment of Mr Fred Troncone



Resolution 4: Confirmation of Appointment of Mr Fred Troncone as Director

"That, pursuant to and in accordance with Listing Rule 14.4, rule 11.3(a) of the Constitution and for all other purposes, Mr Fred Troncone, who was appointed as an addition to the Board, retires and being eligible is elected as a Director on the terms and conditions in the Explanatory Memorandum."

Proxies and Online Voting received as at 10.00am on 27 November 2017:

In Favour	Against	Open	Abstention
268,242,280	7,666,451	83,072,620	323,840
74.72%	2.14%	23.14%	

For personal use only

Approval of 10% Placement Facility



Resolution 5: Approval of 10% Placement Facility

RESOLUTION WITHDRAWN

For personal use only

Grant of Executive Share Options to Mr Fred Tronccone



Resolution 6: Grant of Executive Share Options to Mr Fred Tronccone under the Wellard Executive Share Option Plan

"That, for the purposes of Listing Rules 10.14 and 10.19, section 200E of the Corporations Act and for all other purposes, Shareholders approve the issue of up to 5,600,000 Executive Share Options to Mr Fred Tronccone (or his nominee) (including the issue or transfer of up to 5,600,000 Shares on exercise of those Executive Share Options) pursuant to his remuneration package and under the Wellard Executive Share Option Plan and on the terms and conditions in the Explanatory Memorandum, and the giving of benefits under the Wellard Executive Share Option Plan in connection with any future retirement from his office, directorship or position of employment with the Company, are approved."

Proxies and Online Voting received as at 10.00am on 27 November 2017:

In Favour	Against	Open	Abstention
264,646,847	3,845,622	3,907,620	1,062,197
97.15%	1.41%	1.43%	

For personal use only

Spill Resolution (Contingent Upon Resolution 1)



Resolution 7: Spill Resolution (Contingent Upon Outcome of Resolution 1)

“That pursuant to and in accordance with section 250V of the Corporations Act and for all other purposes, another meeting (**Spill Meeting**) of the Shareholders be held within 90 days of 29 November 2017, on the terms and conditions in the Explanatory Memorandum, so that:

- a) all of the Directors who hold office at the Meeting excluding Mr Mauro Balzarini, as Managing Director, will cease to hold office immediately before the end of the Spill Meeting;
- b) resolutions to appoint persons to offices that will be vacated immediately before the end of the Spill Meeting (**Vacated Offices**) will be voted on at the Spill Meeting; and
- c) the persons appointed to Vacated Offices at the Spill Meeting may include directors who hold office at the Meeting.”

Proxies and Online Voting received as at 10.00am on 27 November 2017:

In Favour	Against	Open	Abstention
2,794,102	263,175,766	4,900,305	1,792,113
1.03%	97.16%	1.81%	

For personal use only



Poll Voting

For personal use only

Thank you

Fred Troncone

T 08 9432 2800 E f.troncone@wellard.com.au

Cameron Morse

T 0433 886 871 E cameron.morse@fticonsulting.com.au