



18 December 2023

RIDLEY ENTERS INTO AGREEMENT TO ACQUIRE OCEANIA MEAT PROCESSORS

Ridley Corporation Limited ("**Ridley**") (**ASX: RIC**) is pleased to announce that its wholly owned subsidiaries (CSF Australia Subsidiary Pty Ltd and CSF Protein NZ Limited) have entered into an agreement to acquire Oceania Meat Processors NZ LP ("**OMP**") for NZ\$57.0 million (~A\$52.8 million). OMP is a premium producer of mechanically deboned meat frozen block products ("**MDM Products**") and other raw materials for the global pet food industry.

MDM Products are a key pillar of Ridley's Ingredient Recovery growth strategy and OMP is expected to make a meaningful contribution to this business segment and enhances Ridley's offering to suppliers and pet food customers.

Established in 2002, OMP is a leading supplier of premium inputs to the global pet food industry with approximately two-thirds produced at its operations in Melbourne, Australia (adjacent to Ridley's existing Ingredient Recovery facility in Laverton) and one-third at its operations in Timaru, New Zealand. The business produces multi species products, including lamb, beef, venison, and veal, and other ingredients which are supplied through established supply chains to domestic and international customers. Key management personnel will be secured as part of the transaction.

The acquisition price represents a multiple of 5.4 times EBITDA (LTM as at September 2023). Completion is expected to occur on 28 March 2024, subject to certain conditions. The acquisition will be fully funded from debt facilities and is expected to be EPS accretive in the first year post transaction.

Ridley's Managing Director and Chief Executive Officer, Quinton Hildebrand, said,

"The acquisition of OMP represents a key milestone for Ridley's Ingredient Recovery business in the delivery of its FY23-25 growth plan – providing a meaningful contribution to Ridley's ambition to "climb the wall of value" by producing bespoke, higher value nutrients from existing and new raw material suppliers. The acquisition also significantly increases Ridley's capacity to service the domestic and international pet food industry.

We are extremely excited about the opportunities this acquisition provides to Ridley, our suppliers and customers, and look forward to the team at OMP joining the Ridley business."

An **Investor Briefing** will be held on **Monday 18 December** at **11am** – to listen to the event please use Audience URL: <https://webcast.openbriefing.com/ric-ann-2023/>.

A copy of the **Open Briefing Presentation** is **attached** to this Release.

For further information please contact:

Richard Betts - Chief Financial Officer
Ridley Corporation Limited
+61 401 506 882

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

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LEADING ANIMAL NUTRITION



Acquisition of Oceania Meat Processors

18 December 2023

Transaction Overview

Transaction overview

- Ridley has entered into a **agreement to acquire Oceania Meat Processors (“OMP”) for NZ\$57.0m (~A\$52.8m¹)**
- **Implied acquisition multiple of ~5.4x EBITDA** (LTM as at September 2023)
- Acquisition to be **fully funded from debt facilities**

OMP overview

- **OMP is a premium producer of mechanically deboned meat (“MDM”) and other raw materials for global pet food customers**
- OMP has processing facilities in Australia and New Zealand and an established North American supply chain

Timing and conditions

- Transaction is subject to the **satisfaction of key milestones and conditions**, and is expected to complete by 28 March 2024
- The transaction is not expected to require any formal regulatory approvals

Financial impact

- The transaction is expected to be **EPS accretive in first year** post acquisition
- Ridley pro-forma **core net debt / EBITDA expected to be 0.7x at March 2024**, below Ridley’s target core debt range of 1.0–2.0x

Alignment to Ridley's Strategy

FY23 – 25 Growth Plan Ingredient Recovery

Strategy

- Invest in processing capability to produce bespoke, higher value nutrients from existing raw material supply
- By "climbing the wall of value" we expect to deliver higher margins for Ridley and our raw material suppliers

"Climbing the wall of value"

Product

Freeze Dried Products

Frozen Block (MDM Products)

Protein Concentrate Meals

Low Ash Meals

Higher Grades of Tallow and Oils

Standard Meals, Tallows and Oils

Lower Grade Tallow and Oils

*Reflects
OMP's
core
product
offering*

How Does this transaction align with strategy?

- ✓ Extends the scope of raw materials to be purchased from suppliers
- ✓ Provides capability to produce premium ingredients for customers
- ✓ Extends Ridley's product range to pet food customers – meals, tallows, oils and now Frozen Block (MDM Products)
- ✓ Acquisition of established business vs investing in a new market

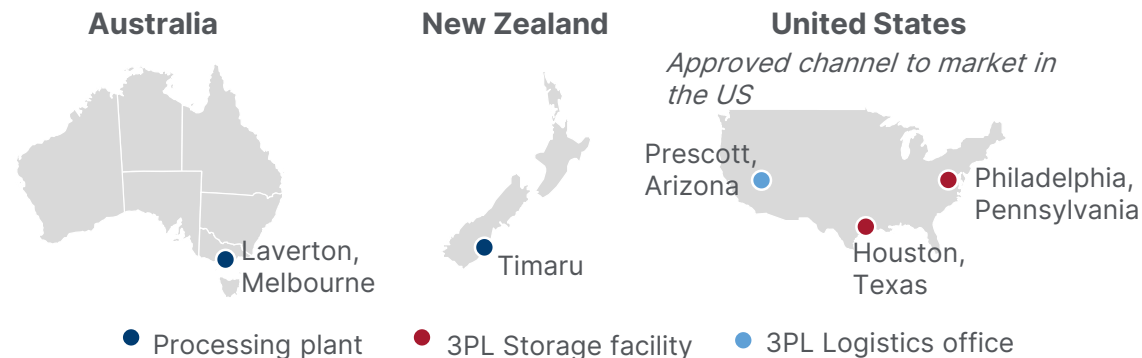
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Overview of OMP

Business Snapshot

- OMP is a premium producer of mechanically deboned meat frozen block product (“MDM Products”) and other raw materials for the global pet food industry
- The business has grown rapidly since formation in 2002, with expansion into Australia, establishment of a North American supply chain, and multi-species diversification including lamb, beef, venison, veal, salmon and kangaroo
- Raw material is sourced from high quality Australian and New Zealand suppliers with:
 - two-thirds processed in the Melbourne, Australia facility (adjacent to Ridley’s existing Ingredient Recovery facility in Laverton), and
 - one-third processed in the Timaru, New Zealand facility
- OMP’s USA footprint – Arizona logistics office and 3PL storage infrastructure in Houston & Philadelphia, allows for nationwide delivery to pet food customers within three days

Location of Operating Facilities



Breakdown of Key Product Categories

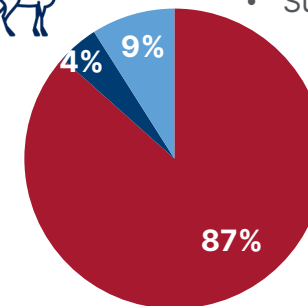
Venison & Other

- Venison, salmon, kangaroo
- Third party toll processing
- Offal



Bovine (Beef)

- Grass-fed
- Supply chain verified



Ovine (Lamb)

Acquisition Rationale

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1

OMP provides Ridley the **capability to “climb the wall of value”** producing frozen block MDM Products (aligned to strategy)

2

OMP is a **provider of premium Australian and New Zealand products focused on novel proteins**, which are highly sought after by the global pet food industry

3

OMP has **long-standing relationships with blue-chip pet food customers**, which can be further built-upon by Ridley with co-selling opportunities

4

The acquisition enables Ridley to **optimise raw materials from our supplying abattoirs**

5

The acquisition is **expected to be EPS accretive in the first year post acquisition**



Disclaimer

The material in this presentation is general background information about the activities of Ridley Corporation Limited and its related entities (Ridley), current at the date of this presentation, unless otherwise stated.

It is information given in summary form and does not purport to be complete. It should be read in conjunction with Ridley's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. This presentation is not intended to be relied upon as advice to investors or potential investors and does not take into account the investment objectives, financial situation or needs of any particular investor.

Forward looking statements in this presentation should not be relied upon as an indication or guarantee of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Ridley.

Market size and market share indicators are based upon management estimates and publicly available information.