

26 February 2025

Farm Pride H1 FY25 Results announcement

Farm Pride Foods Ltd (ASX: FRM) ('FRM' or 'the Company') today announced its financial results for the half year ended 31 December 2024 (H1 FY25).

Highlights:

- Earnings before interest, tax, depreciation and amortization of \$7.05 million, an increase of \$3.38 million on the prior corresponding period (PCP);
- Profit after tax of \$1.63 million, an increase of \$2.55 million on the PCP and the first half yearly profit achieved by the Company since the financial year ending 30 June 2018;
- Increase of \$24.03 million in net equity to \$26.85m since 1 July 2024;
- Recovery from avian influenza outbreak at Lethbridge, Victoria farms well advanced;
- Planning and implementation of upgrades in biosecurity arrangements and processes at multiple farms and grading facilities;
- Identification and implementation of overhead reductions and improved efficiencies;
- Completion of a 3:7 non-renounceable fully underwritten pro rata share entitlement offer raising \$6.16m before costs;
- Independent valuation of the fair value of plant and equipment resulting in a \$15.65m increase in the value of the assets in the financial statements;
- Repayment of \$4.14 million of debt and conversion of \$1.04m of directors loans to equity.

Outlook and Strategic priorities for FY25

While national egg shortages have resulted in improved pricing of eggs, the Company has not yet returned to full production on all farms and continues to face a challenging environment with cost and labour availability pressures and the requirement for continued further investments in biosecurity protection and efficiency enhancements.

Farm Pride remains focused on implementing operating and capital improvements to enhance its biosecurity on farms and grading floors. The business has identified further operational efficiencies and improvements in productivity and remains committed to its repairs and maintenance and capital expenditure program to improve operating reliability.

Repopulation of the avian influenza affected farms has commenced and production volumes will grow throughout 2025.

Assessment of a number of initiatives is being undertaken to increase both rearing and laying capacity.

Managing Director remuneration

The improvement in financial performance continued in the first month of the calendar year with an unaudited EBITDA result of approximately \$1.50 million. This means that the vesting condition for the third tranche of 1.20 million options issued to Darren Lurie or his nominee (an EBITDA of \$8 million during any financial year before 30 June 2027) has been achieved. The Company has also converted the fourth and final tranche of 545,000 performance rights to Darren Lurie's nominee, following satisfaction of the vesting condition.

For personal use only

The board also recognizes the substantial improvement in the profitability of the Company over the last 2 years from negative EBITDA of \$2.81m for the 6 months to 31 December 2022 to a positive EBITDA result of \$7.05m for the 6 months to 31 December 2024. As part of the strong financial performance and balance sheet turnaround, the Board has agreed to increase the Managing Director's fixed remuneration to \$520,000 (including statutory superannuation) effective from 1 January 2025 and the implementation of a short-term incentive eligibility amounting to 35% of the Managing Director's remuneration and with key performance indicators implemented by the Board for assessment.

This announcement has been authorised by the Board of Farm Pride Foods Ltd.

Contact details

Mr George Palatianos
Non-executive Chairman

T 61 3 9798 9207
E companysecretary@farmpride.com.au

About Farm Pride (FRM)

Farm Pride is a leading ASX listed vertically integrated egg company that farms, processes and markets a range of egg and egg related products. FRM continues to develop its farming business to meet the markets evolving requirement for cage free eggs. FRM maintains strong relationships in the supermarket channel and with industrial food manufacturers. FRM is also committed to maintaining the highest level of environmental, social and corporate governance responsibility and is the only egg company in Australia to manufacture its own egg cartons using recycled newsprint and cardboard. For more information, visit FRM's website.

For personal use only