



Consolidated Pastoral Company announces 2019 financial results

FOR IMMEDIATE RELEASE
31 May 2019

Consolidated Pastoral Company (CPC), a leading Australian agribusiness, today announces its financial results for the 12 months ended 31 March 2019.

Financial highlights:

- Total assets at year-end of \$921.5 million compared to \$925.5 million in 2018, reflecting higher land valuations, larger herd and the sale of Nockatunga Station prior to year end
- Underlying EBITDA¹ of \$36.2 million before non-recurring flood and drought costs and impact from herd valuation following the drought totalling \$23.1 million (2018: \$34.3 million)
- Reported EBITDA¹ of \$12.5 million (2018: \$34.3 million), after non-recurring flood and drought related impacts
- Revenue of \$128.5 million, down 8.8% (2018: \$140.9 million), reflecting lower average cattle values compared to last year and increased herd size
- Underlying profit after tax of \$22.9m, before non-recurring flood and drought impacts (2018: Profit of \$15.8 million)
- Reported loss after tax of (\$0.8) million² (2018: Profit of \$15.8 million)

¹ EBITDA does not include property revaluations

Operational highlights:

- Cattle brandings up 20% year on year
- 34.6m kilograms of beef produced, up 29% on pcp
- Investments in property development continued, including \$4.4 million in capex towards water and fencing infrastructure to improve productivity and increase carrying capacity, contributing \$14.4 million to the property valuation increase. Significant further opportunity to improve productivity and increase carrying capacity with further investment in land development
- Ongoing management of capital with sale and leaseback of Manbulloo Station agreed in May 2019
- Continued strong profitability in JJAA Indonesia which owns and operates two feedlots and provides valuable vertical integration and direct access to attractive Asian markets
- Commenced land conversion program to unlock further value with cattle land being converted to cropping land
- Drawn debt reduced from \$235.7 million to \$224.6 million
- Ongoing commitment to the development of our people with further investment in training
- Strong employee engagement with 75% of employee expectations being met across the business
- Workplace health and safety remains a key priority, 38% decrease in days lost due to injury year on year
- CPC successfully acquired a further 10% shareholding in JJAA Indonesia, increasing its ownership to 90%

Troy Setter, Chief Executive of CPC, commented:

“While the impact of the drought and floods have been felt across the industry, we are pleased with the underlying performance of CPC. The CPC team has worked hard to grow our herd during this dry year. Prior to the non-recurring costs of the floods and the drought the business delivered an EBITDA of \$36.2million.



“As highlighted last year, we increased ownership of our JJAA joint venture, which owns and operates two feedlots in Indonesia to 90%. JJAA continues to provide valuable vertical integration and direct access to large and growing Asian markets.”

“Total assets increased on a like for like basis, reflecting strong land valuations as well as the value being driven by our ongoing capital investment program.”

“Our active capital management program continues with the May 2019 sale and leaseback of Manbulloo Station and ongoing investment of capital in our water and fencing infrastructure to improve productivity and increase the carrying capacity of our properties.”

“As a leading integrated beef and cattle supplier to international markets, we are well positioned to continue to benefit from the strong global demand for beef and further value creation through the development of our assets.”

-ENDS-

APPENDIX – CPC FINANCIAL RESULTS 2018/2019

	FY19	FY18	Change (%)
Revenue	\$128.5m	\$140.9m	(8.8%)
EBITDA¹	\$36.2.m ³	\$34.3m	5.5%
Underlying Profit/(Loss) after Tax	\$22.9m ³	\$15.8m	145%
Reported Profit/(Loss) after Tax	(\$0.8m) ²	\$15.8m	(105.1%)
Cash generation⁴	(\$16.5m)	\$12.1m	(236.4%)
Total assets	\$921.5m	\$925.5m	(0.4%)

¹ EBITDA does not include property revaluations

² Before one off costs of \$4.0 million associated with corporate activity

³ Non recurring costs \$1.7 million of flood related costs, \$7.9m of drought related costs and \$14.1m impact from herd valuation, driven by unusually dry seasonal conditions and ²

⁴ Defined as Cash EBITDA less cattle purchases and capital expenditure

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NOTES TO EDITORS

As at 31 March 2019 - Consolidated Pastoral Company (CPC) is an Australian managed, majority foreign owned agrifood business which owns and operates a portfolio of 15 cattle stations with a carrying capacity of over 400,000 head of cattle across more than 4.7m hectares of land in Australia.

The company also holds an 90% interest in a joint venture which owns and operates two feedlots in Indonesia. CPC’s direct sales channels primarily involve selling cattle and beef to Asian consumer markets, domestic feedlots and processors, and exporting live cattle.

For further information on CPC, please visit <http://www.pastoral.com>