



Consolidated Pastoral Company announces 2018 financial results

FOR IMMEDIATE RELEASE
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Consolidated Pastoral Company (CPC), a leading Australian agribusiness, today announces its financial results for the 12 months ended 31 March 2018.

Financial highlights:

- Total assets at year-end of \$925.5 million, up 5.1% (2017: \$880.5 million)
- Revenue of \$140.9 million, down 8.9% (2017: \$154.6 million), reflecting lower average cattle values compared to last year (note values still remain above 5 and 10 year averages)
- Earnings Before Interest, Tax, Depreciation, Amortisation¹ of \$34.3 million² (2017: \$49.7 million, and benefited from positive impact from cattle revaluations)
- Profit after tax of \$15.8 million² (2017: \$37.1 million)
- Cash generation³ of \$12.1 million (2017: \$20.2 million) reflecting herd rebuilding and increased capex

Operational highlights:

- Investments in property development continued including \$4.2 million in capex towards water and fencing infrastructure to improve productivity and increase carrying capacity, contributing \$10.5 million to the property valuation increase. Significant further opportunity to improve productivity and increase carrying capacity with further investment in land development
- Good underlying cash generation, partially offset by 130% increase in cattle trading at JJAA as good buying opportunities presented themselves during the year
- Cattle brandings up 10% year on year
- Strong employee engagement score of 77% and equal gender representation across the business
- 68% decrease in lost time injuries year on year, workplace health and safety remains a key priority for CPC
- Ongoing commitment to the development of our people with further investment in training
- Group debt refinanced with drawn debt reduced from \$304.8 million to \$235.7 million over the last two years
- Acquisition of Emus Nest Station to expand Allawah stud capacity, providing additional scale to the leading genetics capabilities in the business
- Continued profitability in JJAA Indonesia which owns and operates two feedlots and provides valuable vertical integration and direct access to attractive Asian markets
- JJAA Lampung awarded MLA's second annual Feedlot Steer Competition for the feedlot's efficiency of operations and management of cattle, for the second year running

Troy Setter, Chief Executive of CPC, commented:

"CPC's earnings performance for FY18 reflects increased productivity offset by a recent decline in cattle values from last year. 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."

"Our JJAA joint venture, which owns and operates two feedlots in Indonesia, continues to provide valuable direct access to the large and attractive Asian markets. We remain committed to our operations in Indonesia and this year we plan to increase our investment in the business."

"Total assets were up more than five per cent year on year, reflecting CPC's high quality and geographically diverse portfolio. Over recent years we have increased productivity through the

development of land, and this year we invested more than \$4 million on developing watering points and fencing, as well as technology and genetics. We still see significant opportunity to improve our productivity and increase carrying capacity with further development of our stations.

“After another solid year of investing in our properties, our cattle and our team, CPC is well positioned for the future.”

-ENDS-

APPENDIX – CPC FINANCIAL RESULTS 2017/2018

| | FY18 | FY17 | Change (%) |
|------------------------------------|----------------------|----------|------------|
| Revenue | \$140.9m | \$154.6m | (8.9%) |
| EBITDA¹ | \$34.3m ² | \$49.7m | (31.0%) |
| Profit after Tax | \$15.8m ² | \$37.1m | (57.4%) |
| Cash generation³ | \$12.1m | \$20.2m | (40.1%) |
| Total assets | \$925.5m | \$880.5m | 5.1% |

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NOTES TO EDITORS

Consolidated Pastoral Company (CPC) is an Australian managed, majority foreign owned agrifood business which owns and operates a portfolio of 16 cattle stations with a carrying capacity of over 400,000 head of cattle across more than 5.5m hectares of land in Australia.

The company also holds an 80% 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>

¹ EBITDA does not include property revaluations

² Before one off costs of \$5.5 million associated with corporate activity (FY17 Nil)

³ Defined as Cash EBITDA adjusted for cattle purchases and capital expenditure