



ALLIED FARMERS

ANNUAL
SHAREHOLDER MEETING

20 NOVEMBER 2024

AGENDA

1. Chair's Introduction
2. Managing Director's Address to Shareholders
3. Resolutions
4. Shareholder Questions

1. CHAIR'S INTRODUCTION



2. MANAGING DIRECTOR'S ADDRESS TO SHAREHOLDERS





ALLIED FARMERS

ASM PRESENTATION

20 NOVEMBER 2024






2024

KEY EVENTS & PEOPLE

Key events in FY24:

- Earnings per share up +56% from FY23
- Sale of NZFL's Frankton saleyard at above book value
- NZRLM managed the sale of a 25% equity interest in New Zealand Rural Land Company's land portfolio to specialist private markets investment firm, Roc Partners
- Subsequent to balance date, 99.8% of shareholders voted in favour of a constitutional change to preserve tax losses

Key People:

-  Shelley Ruha - Chair
-  Phillip Luscombe - Independent Director
-  Richard Milsom - Managing Director
-  Ross O'Neill - Legal Counsel & Company Secretary
-  Brian Lee - Chief Financial Officer

For more information please visit the Allied Farmers website: www.alliedfarmers.co.nz.



FY24 FINANCIAL RESULT

Allied Farmers is pleased with its performance in FY24, reflecting its commitment to delivering earnings per share growth for its shareholders.

- FY24 Group NPAT of \$6.9m and NTA of \$13.9m
 - New Zealand Farmers Livestock (NZFL) EBITDA has grown +73% to \$8.1m in FY24, from \$4.7m in FY23
 - New Zealand Rural Land Management (NZRLM) EBITDA has grown +61% to \$2.2m in FY24, from \$1.4m in FY23
- Allied's EPS and NTA per share have increased significantly in FY24, rising +56% to \$0.181 and +90% to \$0.40, respectively, compared to \$0.116 cents and \$0.21 in FY23



+56%

growth in **Allied EPS**,
to \$0.181 (from \$0.116 in
FY23)

+90%

growth in **Allied NTA
per share**, to \$0.40
(from \$0.21 in FY23)

Note: 'Group' refers to consolidated financials relative to 100% shareholding of both NZFL and NZRLM. 'Allied' refers to financials attributed to Allied's actual shareholding i.e. 67% of NZFL and 100% of NZRLM.





SECTION 1

ALLIED FARMERS OVERVIEW & STRATEGY



ALLIED FARMERS TODAY

Allied Farmers Limited has a longstanding history of providing services to the agricultural sector, while also functioning as an agricultural investment company. Today, Allied Farmers continues as an investment company, with two primary investments in the sector.



Allied Farmers Ltd

NZ FARMERS LIVESTOCK

- **Allied Farmers owns 67.8% of nationally operated NZ Farmers Livestock Ltd (NZFL)**
- NZFL owns 52% of Hawke's Bay based Redshaw Livestock Limited
- NZFL is a national livestock agency business
- NZFL's core businesses generate revenue from marketing, buying, selling and financing livestock, in-conjunction with exporting meat

NEW ZEALAND RURAL LAND MANAGEMENT

SUSTAINABLE AOTEAROA

- **Allied Farmers owns 100% of New Zealand Rural Land Management (NZRLM)**
- NZRLM is an investment manager with a focus on New Zealand's primary sector
- NZRLM holds the management contract for NZX-listed New Zealand Rural Land Company (NZL), providing management, investment and administration services



STRATEGY & UPDATE

Allied Farmers is a NZX-listed investment company with a focus on investments in the primary sector. In FY24 Allied recorded a net profit after tax of \$5.2m or 18.1 cents per share from these investments.

Strategy

1. Provide shareholders with exposure to attractive investments;
2. Deliver earnings per share growth for shareholders by:
 - Providing strategic guidance and support to its investments to ensure that their business strategies are aligned with Allied Farmer's; and
 - Exploring growth opportunities that leverage its core strengths in the primary and investment management sectors

Company Update

- In February this year, NZRLM settled the sale of a 25% equity interest in New Zealand Rural Land Company's land portfolio to specialist private markets investment firm, Roc Partners.
- In July, shareholders approved constitutional amendments designed to preserve \$178.1m of tax losses (cash benefit equal to 28% of \$178m, \$49.9m). This allows Allied to offset future taxable income, reducing the company's tax liability, preserving cash flows and creating earnings derived value for shareholders.
- Consistent with Allied's focus on ensuring the efficient allocation of assets, NZFL sold its interest in the Frankton sale yard for above book value



INVESTMENT SUMMARY

Below is an operational and financial update for Allied's investments.

NZ FARMERS LIVESTOCK

- **Livestock services EBITDA grew +74% to \$7.8m in FY24, from \$4.5m in FY23**
- **Financial services EBITDA grew +56% to \$0.3m in FY24, from \$0.2m in FY23**
- Sale of the Frankton saleyard at above book value
- Creditable veal business result, reflecting sound product returns but some cost inflation
- NZFL fortunes parallel those of our farmer clients, with sheep farmers particularly challenged in the year, but beef and dairy going positively at year end
- Despite cost inflation the business focused on improving productivity and containing costs to position us well for an improving agribusiness environment

NEW ZEALAND RURAL LAND MANAGEMENT

SUSTAINABLE AOTEAROA

- **NZRLM EBITDA grew +61% to \$2.2m in FY24, from \$1.4m in FY23**
- NZRLM holds the management contract for NZX-listed New Zealand Rural Land Company (NZL), providing management, investment and administration services
- NZL currently owns 17,457 hectares of pastoral, horticultural and forestry land, an increase of 2,703 hectares during FY24
- NZRLM managed the sale of a 25% equity interest in New Zealand Rural Land Company's land portfolio to specialist private markets investment firm, Roc Partners
- NZL's dividend will be reinstated in FY25 to a payout range of 60-90% of Adjusted Funds from Operations (AFFO)



SECTION 2

FY24 FINANCIAL RESULT

FINANCIAL OVERVIEW - FY24 HIGHLIGHTS & METRICS

+2%

growth in **Group Revenue**, to \$27.6m.
(from \$27.1m in FY23)

+72%

growth in **Group EBITDA**¹, to \$9.0m.
(from \$5.2m in FY23)

+62%

growth in **Group NPAT**, to \$6.9m. (from \$4.3m in FY23)

+56%

growth in **Allied EPS**, to 18.07 cps (from 11.59 cps in FY23)

+90%

growth in **Allied NTA per share**, to \$0.40 (from \$0.21 in FY23)

Note: 'Group' refers to consolidated financials relative to 100% shareholding of both NZFL and NZRLM. 'Allied' refers to financials attributed to Allied's actual shareholding i.e. c.68% of NZFL and 100% of NZRLM.

¹ Group EBITDA includes \$1.24m of Parent operating expenses not included in EBITDA of investments.



PROFIT & LOSS STATEMENT (CONSOLIDATED)

\$27.63m

Group Revenue

\$6.92m

Group NPAT

\$18.07

Allied EPS

NZ\$000	Jun-24	Jun-23
Income		
Commission and fee income	16,497	15,906
Sale of goods	10,381	10,015
Interest income	328	414
Other Income	422	387
Equity Accounted Earnings NZRLM	-	417
Total Income	27,628	27,139
Expenses		
Cost of goods sold	(7,703)	(7,155)
Personnel expenses	(9,428)	(10,018)
Depreciation and amortisation	(1,165)	(902)
Operating expenses	(5,681)	(4,717)
Total Expenses	(23,977)	(22,792)
Finance Costs	(565)	(276)
Operating Profit before tax	3,086	4,071
Gain on Sale of Property	4,229	-
Profit before tax	7,315	4,071
Income tax (expense) / benefit	(396)	207
Profit after tax	6,919	4,278

Profit attributable to:

Shareholders of Allied Farmers Limited ('Allied')	5,206	3,338
Minority shareholders of NZ Farmers Livestock Limited ('NZFL')	1,713	940
Allied Earnings per share (cents) - Basic	18.07	11.59
Weighted average number of shares - Basic (000's)	28,806	28,806



BALANCE SHEET (CONSOLIDATED)

\$39.16m

Total Assets

\$24.59m

Total Equity

\$0.40

NTA per Share attributable
to Allied

NZ\$000	Jun-24	Jun-23
Assets		
Cash and cash equivalents	9,524	3,783
Receivables	10,937	11,650
Inventories	240	252
Total current assets	20,702	15,685
Deferred tax assets	1,464	1,324
Goodwill & intangible assets	10,684	11,184
Investments - incl. NZRLC	3,005	2,473
Property - owned and right of use assets	3,300	4,229
Total non-current assets	18,453	19,210
Total assets	39,155	34,895
Liabilities		
Trade and other payables	8,392	9,577
Employee benefits	1,226	1,365
Bank borrowings	867	945
Lease liabilities	804	665
Total current liabilities	11,289	12,552
Bank borrowings	1,842	2,715
Lease Liabilities	1,431	905
Total non-current liabilities	3,273	3,620
Total liabilities	14,562	16,172
Equity		
Share capital	158,204	158,204
Accumulated Losses	(136,299)	(141,134)
Equity attributable to owners of the Parent	21,905	17,070
Non-controlling interests	2,688	1,653
Total equity	24,593	18,723

\$ per share	Jun-24	Jun-23
NTA per Share	0.48	0.26
Attributable to Allied	0.40	0.21



SECTION 3

FY24 FINANCIAL RESULT: INVESTMENT PERFORMANCE



NEW ZEALAND FARMERS LIVESTOCK

\$24.28m

Total Revenue

\$8.10m

EBITDA

\$7.19m

NPBT

NZ\$000	Livestock Services		Financial Services		NZFL Consolidated	
	Jun-24	Jun-23	Jun-24	Jun-23	Jun-24	Jun-23
Income						
Commission and fee income	13,126	14,699	21	4	13,147	14,703
Sale of goods	10,381	10,015	-	-	10,381	10,015
Interest income	253	284	75	124	328	408
Other Income	78	40	344	195	422	235
Total Income	23,838	25,038	440	323	24,278	25,361
Expenses						
Cost of goods sold	(7,703)	(7,155)	-	-	(7,703)	(7,155)
Personnel expenses	(8,881)	(9,789)	(108)	(96)	(8,989)	(9,885)
Depreciation and amortisation	(645)	(769)	(0)	(0)	(645)	(769)
Operating expenses	(3,671)	(3,606)	(42)	(41)	(3,713)	(3,647)
Total Expenses	(20,900)	(21,319)	(150)	(137)	(21,050)	(21,456)
Finance Costs	(181)	(128)	(83)	(64)	(264)	(192)
Operating Profit before tax	2,757	3,591	207	122	2,964	3,713
Gain on Sale of Property	4,229	-	-	-	4,229	-
Profit before tax	6,986	3,591	207	122	7,193	3,713

NEW ZEALAND RURAL LAND MANAGEMENT

\$3.35m

Total Revenue

\$2.18m

EBITDA

\$1.36m

NPBT

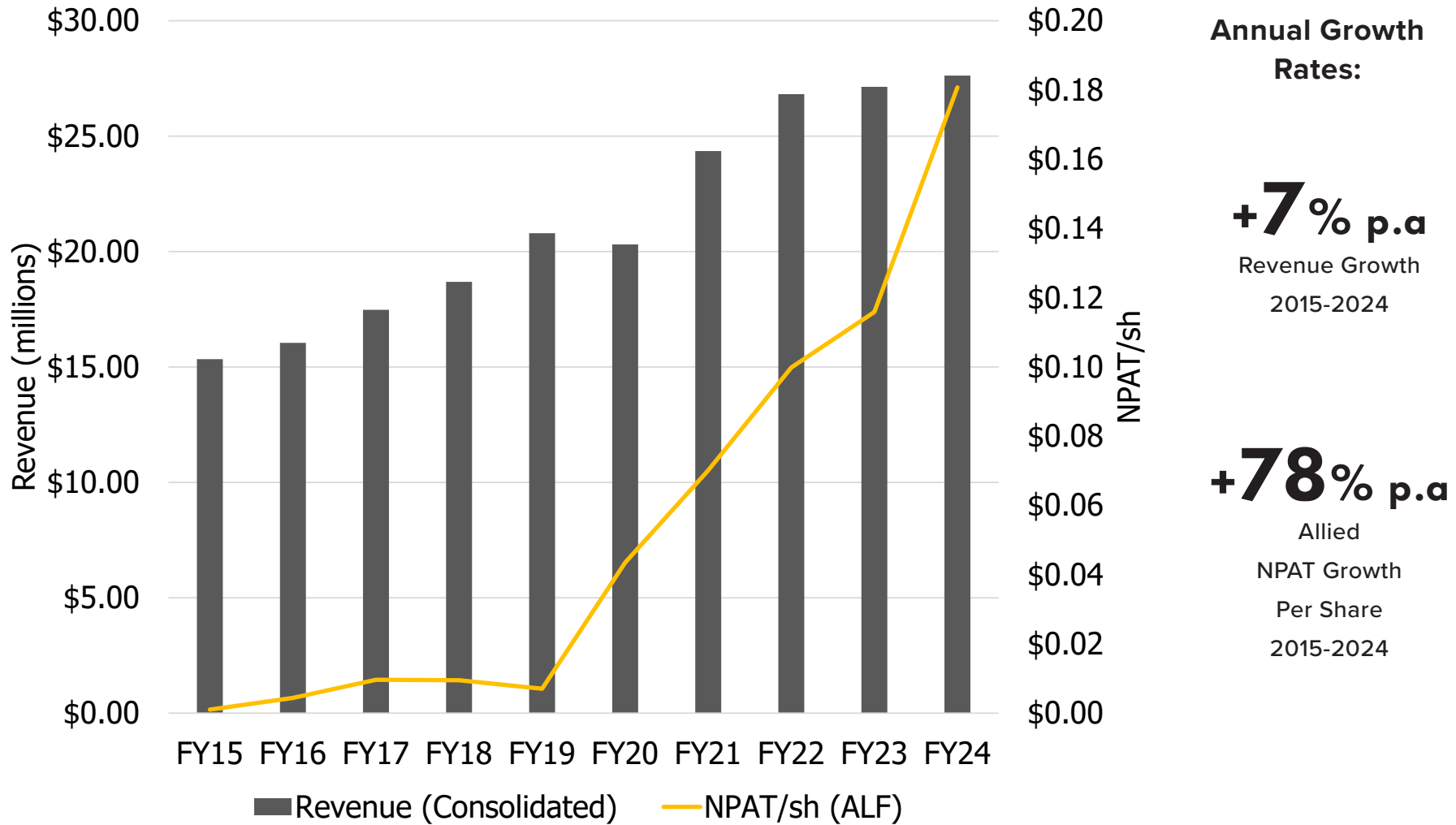
NZ\$000	Jun-24	Jun-23
Income		
Commission and fee income	3,350	1,203
Sale of goods	-	-
Interest income	-	-
Other Income *	-	-
Equity Accounted Earnings NZRLM	-	417
Total Income	3,350	1,620
Expenses		
Cost of goods sold	-	-
Personnel expenses	(343)	(56)
Depreciation and amortisation	(520)	(133)
Operating expenses	(829)	(210)
Total Expenses	(1,692)	(399)
Finance Costs	(301)	(84)
Operating Profit/(loss) before tax	1,357	1,137
Gain on Sale of Property	-	-
Profit/(loss) before tax	1,357	1,137



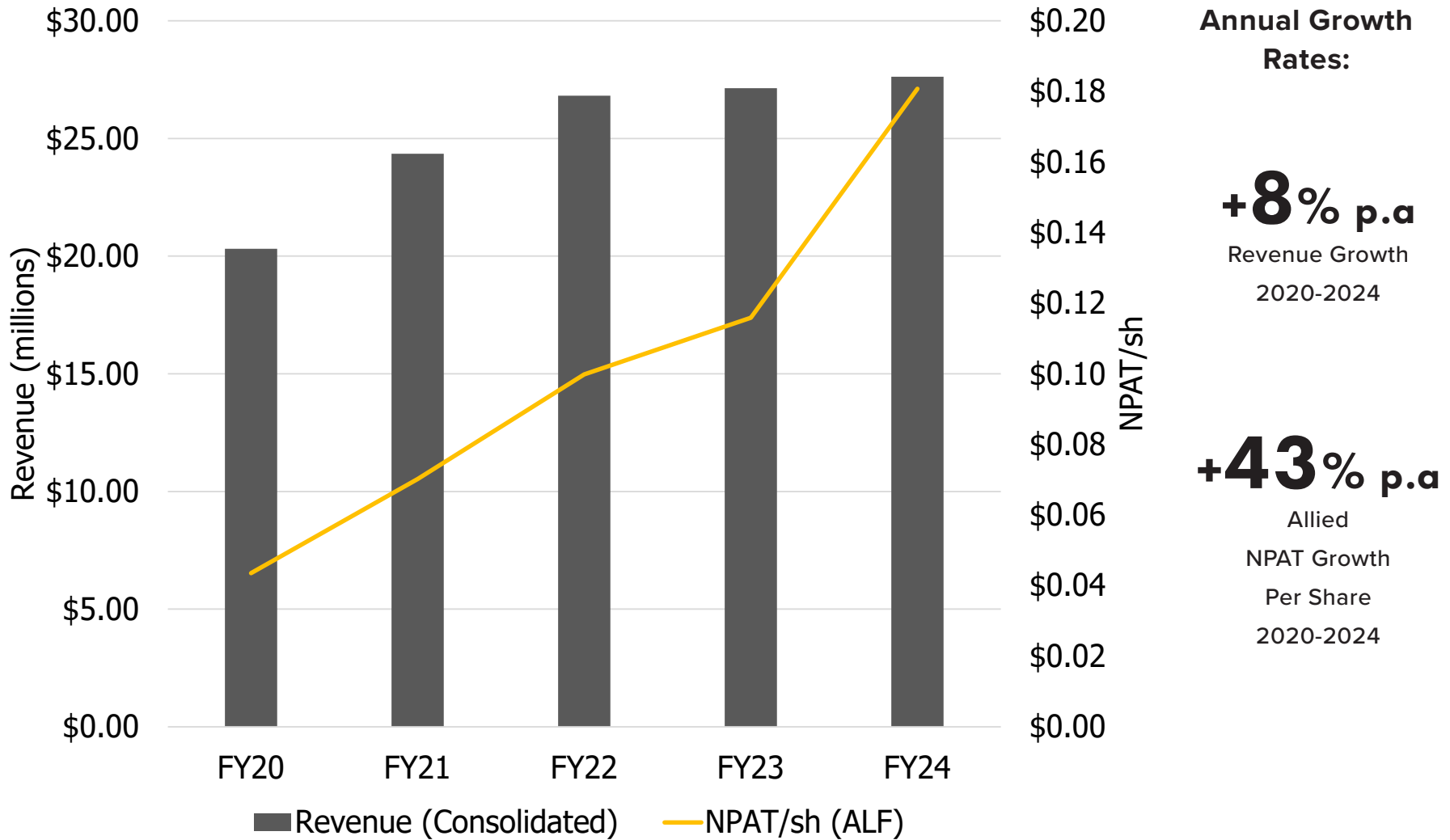
APPENDICES



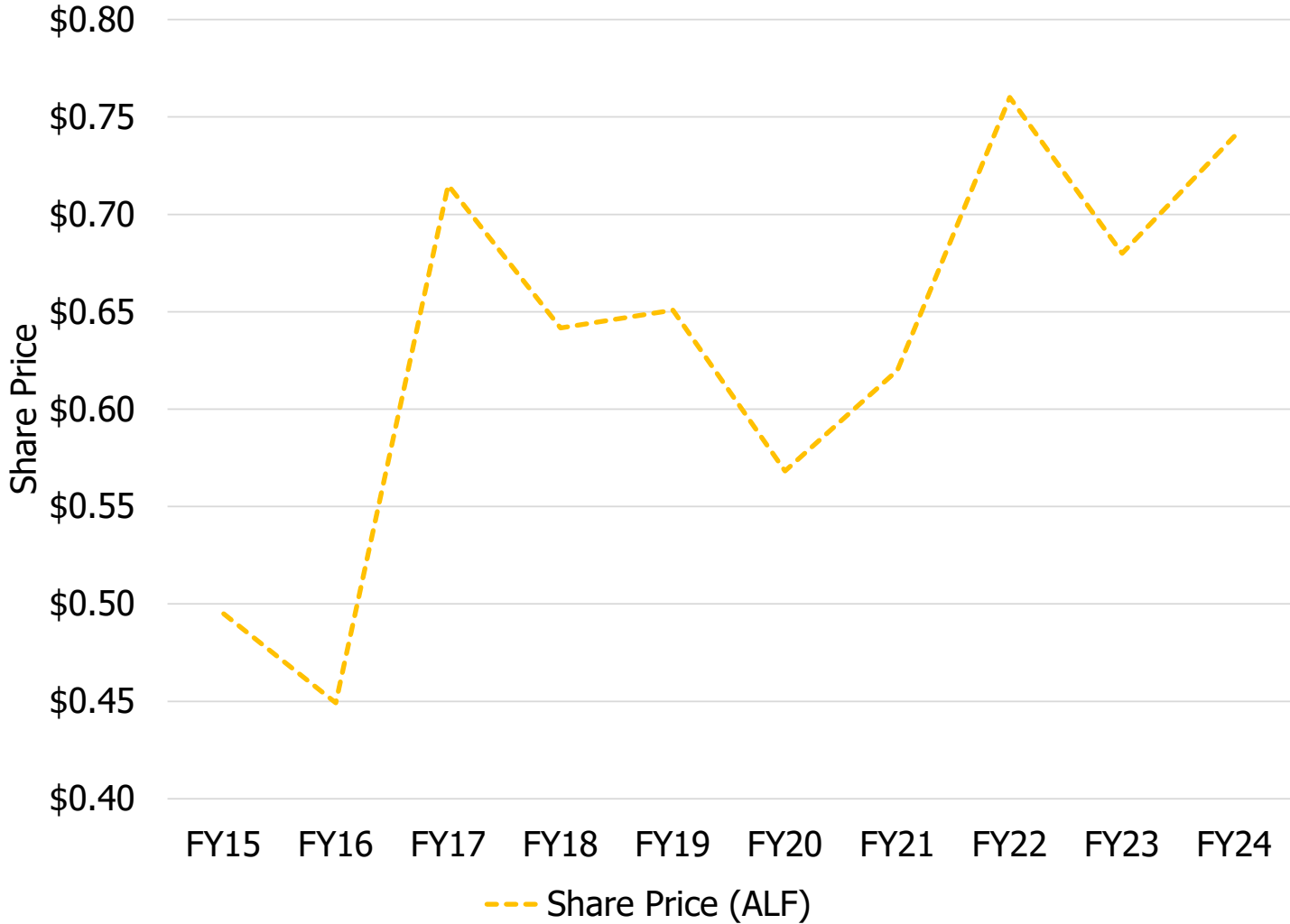
APPENDIX 1: ALLIED FARMERS FINANCIAL PERFORMANCE - 2015 TO 2024



APPENDIX 2: ALLIED FARMERS FINANCIAL PERFORMANCE - 2020 TO 2024



APPENDIX 3: ALLIED FARMERS SHARE PRICE 2015 TO 2024



Annual Growth Rate:

+5% p.a
Revenue Growth
2015-2024

3. RESOLUTIONS



PROXY SNAPSHOT

As at 18 November 2024:

		<u>For</u>	<u>Open</u>	<u>Against</u>	<u>Total Valid Available Votes</u>	<u>As a % of Issued Capital</u>	<u>Abstain¹</u>
Resolution 1 DIRECTORS TO FIX AUDITOR'S REMUNERATION	Votes Holders Percentage	10,578,610 40 95.90%	237,423 26 2.15%	215,218 5 1.95%	11,031,251	38.29%	238 1
Resolution 2 PERFORMANCE RIGHTS TO R MILSOM FOR FY 30 JUNE 2025	Votes Holders Percentage	6,131,438 23 88.47%	237,423 26 3.43%	561,797 19 8.11%	6,930,658	24.06%	3,831 2
Resolution 3 PERFORMANCE RIGHTS TO R MILSOM FOR FY 30 JUNE 2026	Votes Holders Percentage	6,121,391 21 88.32%	239,799 27 3.46%	569,464 20 8.22%	6,930,654	24.06%	3,835 2
Resolution 4 PERFORMANCE RIGHTS TO R MILSOM FOR FY 30 JUNE 2027	Votes Holders Percentage	6,107,672 18 88.13%	253,083 29 3.65%	569,244 20 8.21%	6,929,999	24.06%	4,490 3

ASM RESOLUTIONS

Resolution 1:

Auditors Remuneration

That the Directors be authorised to fix the fees and expenses of the Company's auditor, RSM Hayes Audit, for the ensuing year. Refer to Explanatory Note 1 on page 5 of the ASM notice for further details on this Resolution.

Resolution 2:

Issue of FY25 Performance Rights to Richard Milsom, Managing Director

That approval be given for the issue of 144,032 performance rights during the financial year ending 30 June 2025, and the issue of ordinary shares on the vesting and exercise of those performance rights, to Richard Milsom under the rules of the Company's Long Term Incentive Plan." Refer to Explanatory Note 2 on page 5 of the ASM notice for further details on this Resolution.

Resolution 3:

Issue of FY26 Performance Rights to Richard Milsom, Managing Director

That approval be given for the issue of such number of performance rights during the financial year ending 30 June 2026 equivalent to 0.5% of the Company's total number of ordinary shares on issue as at 1 July 2025, and the issue of ordinary shares on the vesting and exercise of those performance rights, to Richard Milsom under the rules of the Company's Long Term Incentive Plan." Refer to Explanatory Note 2 on page 5 of the ASM notice for further details on this Resolution.

Resolution 4:

Issue of FY27 Performance Rights to Richard Milsom, Managing Director

That approval be given for the issue of such number of performance rights during the financial year ending 30 June 2027 equivalent to 0.5% of the Company's total number of ordinary shares on issue as at 1 July 2026, and the issue of ordinary shares on the vesting and exercise of those performance rights, to Richard Milsom under the rules of the Company's Long Term Incentive Plan." Refer to Explanatory Note 2 on page 5 of the ASM notice for further details on this Resolution.

4. SHAREHOLDER QUESTIONS

