

# ALLIED FARMERS

Serving the Rural Community for over 130 years.

Annual Shareholder Meeting

Tuesday, 24 November 2020



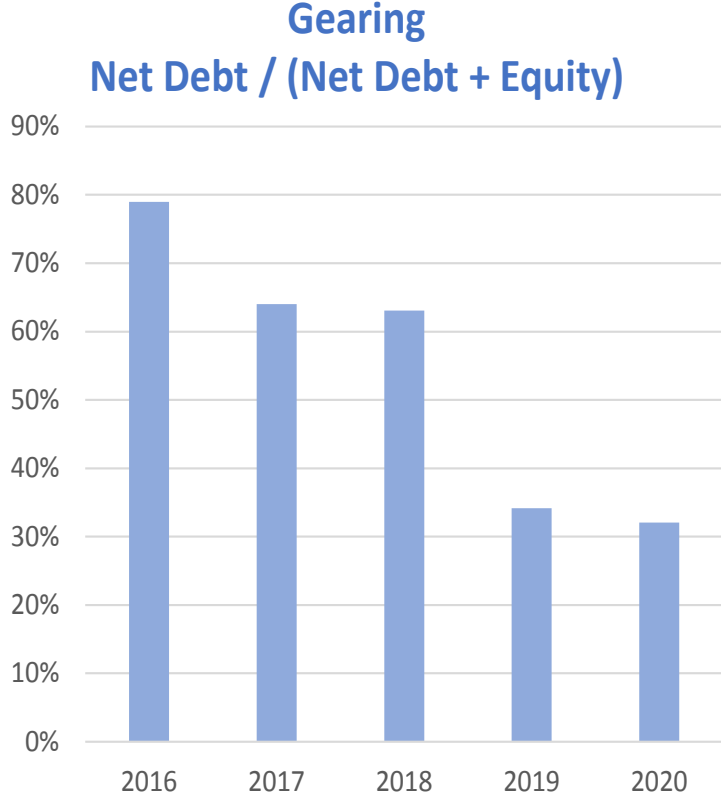
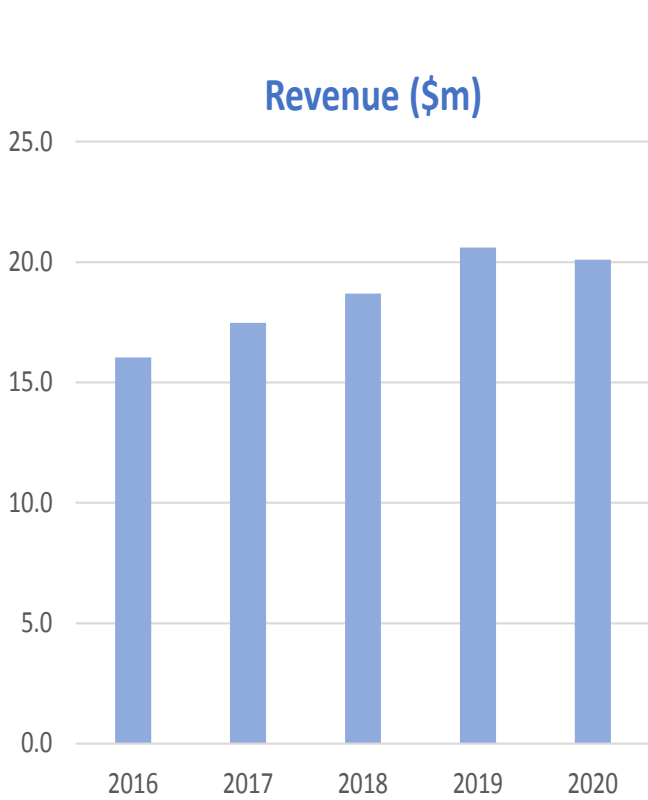
# Welcome & Introduction

# Allied Farmers Limited

## SUMMARY PROFIT AND LOSS

	<b>2020</b>	<b>2019</b>
	\$m	\$m
Income	20.1	20.6
Expenses	(19.0)	(18.4)
Taxation	0.1	(0.2)
Net Profit After Tax	<u>1.2</u>	<u>2.0</u>
Parent Owners Share	0.8	1.3

# Growing the business, with an improving balance sheet



\* Gearing FYE 2020 includes lease liabilities on properties of \$0.5m

## Highlights

- Deployed NZ's first hybrid auction system allowing yards to re-open during COVID-19 lockdown.
- Improving health and safety, risk management and staff wellbeing.
- Strengthened Board with the appointment of Ross Verry to chair and lead our Finance business.
- Appointed KPMG as auditors, refinement of financial statements to “cut the clutter” and improve transparency/communication.
- Challenged and resolved an IRD accumulated tax losses issue.
- Evaluated several strategic opportunities to deliver new solutions, with the most visible being the NZRLM opportunity.

## Dividend

**1.2** cents per share

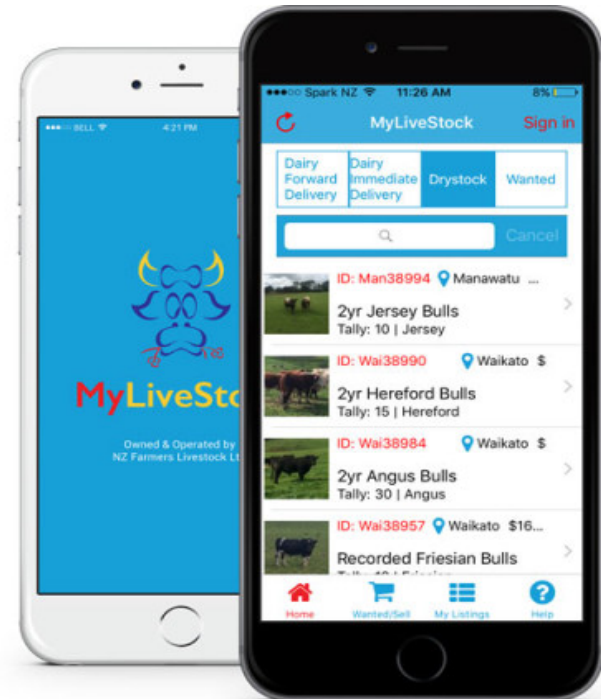
17.9 M shares	\$214,266
Fully Imputed	\$495,970
Gross Dividend	1.67 cents per share
Record Date	14 December 2020
Payment Date	15 January 2021

# Allied Farmers - Rural CEO - Steve Morrison

# NZ FARMERS LIVESTOCK

*Working with Farmers for Farmers*

- NZ Farmers Livestock Agency
- MyLivestock platform and App
- Redshaw Livestock
- Farmers Meat Export
- Livestock Finance – Bullplan and general
- AFL's Rural Finance SolutionNZ
- Associated Auctioneers JV interests (Saleyards Management)



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# NZ FARMERS LIVESTOCK

*Working with Farmers for Farmers*

- To be the *best* solution provider to livestock farmers, growing value for them and our investors.
- Experienced and growing team
- Adding value for clients - every day
- Sales/purchase channel & Deal closure
- Win-Win business
- Moving with (or ahead of) the times
- Integrated Finance and FMEL businesses



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# NZ FARMERS LIVESTOCK

## *Working with Farmers for Farmers*

### A Challenging Year

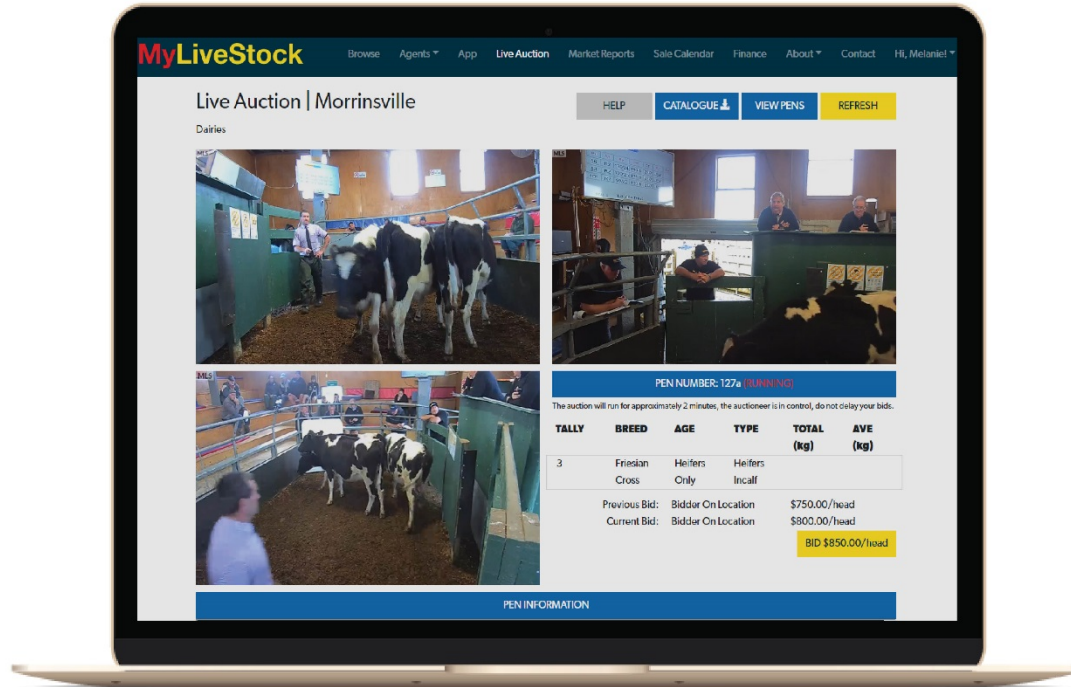
- Life with M bovis – Biosecurity pledge
- Ahead at the half year – across the board
- Widespread severe drought – affects lingering even today
- Covid 19 – Essential service & Auckland lockdown access
- Supported our staff, appreciated the Gov support
- Worked hard for farmers
- Yards opened at Level 3 – safely
- Hybrid (limited attendance real + on-line) auctions
- Agent regulation
- Adding value for clients - every day



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# NZ FARMERS LIVESTOCK

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**ALLIED FARMERS**

# NZ FARMERS LIVESTOCK

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Live Auction | Stratford

Store Sale

HELP

REFRESH



PEN NUMBER: 59 (STOPPED)

The auction will run for approximately 2 minutes, the auctioneer is in control, do not delay your bids.

TALLY	BREED	AGE	TYPE	TOTAL (kg)	AVE (kg)
4	Hereford Friesian	R2yr	Steers	1905.00	476.25

Previous Bid: Bidder On Location \$1080.00/head

Current Bid: Bidder On Location \$1085.00/head

**BID \$1090.00/head**

PEN INFORMATION

# NZ FARMERS LIVESTOCK

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# NZ FARMERS LIVESTOCK

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## **Today:**

- Ongoing Growth – recruitment, digital, acquisition, Northland, South Island, yard access
- NZFLL Group EBT
- Solid livestock agency performance
- FMEL growth – Covid challenges; exploring options
- Redshaws in line with acquisition basis
- Covid Management & Recovery
- Continued bank support
- Looking to wider AFL initiatives

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## Current Performance

### 2020/21 Performance – first 4 months

#### Livestock

- Slow start, accelerating in November
- Farmer caution, weather/grass
- M bovis
- Softer market pricing
- Dairy farm sales/movements
- Positive - with farmer focus and a good team
- Digital effort & investment

#### Meat Processing

- Third year in Manawatu
- A tough year with Covid market impacts
- Behind last year but ahead of expectation

#### Finance

- Good contribution but NZFLFL book below target
- Livestock lending steady, Bullplan behind to date
- Funding terms constraints
- Allied/funding options to grow – RFS, etc..
- Core business support

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# NZ FARMERS LIVESTOCK

## *Working with Farmers for Farmers*

- Health and Safety of our staff a key priority – Audit, charter, car-tracking, operational focus
- Structure, resource and focus to ensure compliance, animal welfare and risk management



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# NZ FARMERS LIVESTOCK

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## Looking Forward:

- Working with farmers for farmers
- Building & supporting teams
- Digital tools/enablement
- Developing FMEL business
- Broader farmer finance options
- Agri-innovation
- Integrating/enabling parent initiatives
- Enhancing control
- Building value & contribution



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# Thank you



# SOLD!

# Questions

# Business Resolutions

## Resolution 1. Approval of Consideration Shares Placement

*That, under NZX Listing Rule 4.2.1(a) (Shareholder approval for issues by Ordinary Resolution), the Company is authorised to issue Elevation Capital Management Limited, Richard Paget Milsom, RPMilsom Investments Limited and Hopeton Trustee Company Limited up to 5,000,000 shares in the 12 month period commencing from the date this resolution is passed at an issue price of NZD\$0.50 per share as consideration of, and payment for, 50% of the securities in New Zealand Rural Land Management Limited Partnership and its general partner.*

## Resolution 2. Approval of Capital Raise Placements

*That the Company is authorised to issue shares to investors under Listing Rule 4.2.1(a) (Shareholder approval for issues by Ordinary Resolution) within 12 months of the date of the Meeting for an issue price of NZD\$0.50 per share and in an aggregate number of up to 10,000,000 shares (and in any event not to directors of Allied Farmers or associated persons, within the meaning of the NZX Listing Rules, of such directors) and otherwise on the basis described in this Notice of Meeting.*

## Resolution 3. Auditor's Fees

*That the re-appointment of KPMG as the auditor of the Company be recorded and the Directors be authorised to fix the auditor's remuneration for the ensuing year.*



# General Business

Ends

Ends