



## Ridley Corporation Limited

### Appendix 4D Half year report

ABN 33 006 708 765

### Results for announcement to the market

Reporting period: Half year ended 31 December 2021  
Previous corresponding period: Half year ended 31 December 2020  
Release date: 17 February 2022

		<b>\$A millions</b>
Revenue from ordinary activities	Up 8.2% to	508.7
EBITDA before Individually Significant Items <sup>1</sup>	Up 20.9% <sup>2</sup> to	39.1
Consolidated EBITDA	Up 45.2% <sup>2</sup> to	46.5
Net profit after tax from ordinary activities attributable to members and Total comprehensive income	Up 124.4% <sup>2</sup> to	22.6

<sup>1</sup> Refer Note 4 for details on Individually Significant Items

<sup>2</sup> Restated prior period Consolidated Condensed Statement of Comprehensive Income as detailed in Note 12.

	31 December 2021	31 December 2020
Net tangible asset backing per ordinary share	\$0.72	\$0.62 <sup>1</sup>

<sup>1</sup> Restated prior period Consolidated Condensed Balance Sheet as detailed in Note 12.

### Dividends

The Board has determined to pay an interim dividend of 3.4 cents per share (**cps**), fully franked and payable on 29 April 2022 for a cash outlay of approximately \$10.9 million (**m**).

	Amount per security (cents)	Franked amount per security at 30% tax rate
Final 2021 Dividend per share (paid 29 October 2021)	2.00	2.00
Interim 2022 Dividend per share	3.40	3.40

Ex-Dividend date 5.00 pm on Thursday 7 April 2022  
Record date 5.00 pm on Friday 8 April 2022  
Payment date Friday 29 April 2022

Further detail of the above figures is set out on the following pages and in the Group's separate results investor presentation.

17 February 2022

## Growth Strategy delivering improved earnings

### FY22 1H Results

The highlights of the Ridley Corporation Limited consolidated group (**Ridley or Group**) FY22 1H results are:

- Earnings before Interest, Tax, Depreciation and Amortisation (**EBITDA**) before Individually Significant Items of \$39.1m, representing a 21% increase on the previous corresponding period driven by the ongoing execution of Ridley's Growth Strategy.
- \$65.9m net cash inflow, of which operating cashflow was \$31.2m<sup>1</sup> and \$57.4m related to proceeds from the sale of property assets, which was partially offset by the payment of the dividend (\$6.2m) and an increase in tax payments (\$6.9m).

SUMMARY (\$ million unless otherwise stated)	Dec 2021	Dec 2020	Movement
EBITDA <sup>2</sup> - before Individually Significant Items	39.1	32.4	▲ 6.8
NPAT and Total comprehensive income	22.6	10.1 <sup>4</sup>	▲ 12.5
Consolidated cash inflow	65.9	21.4	▲ 44.5
Net debt	17.2	125.8	▼ 108.6
Leverage ratio (times) <sup>3</sup>	0.2x	2.0x <sup>4</sup>	▼ 1.8x
Earnings Per Share (cents)	7.1	3.2 <sup>4</sup>	▲ 3.9

<sup>1</sup> Calculated as EBITDA before Individually Significant Items of \$39.1m, add Individually Significant Items (\$7.4m), less increase in Working Capital (\$12.7m) and Maintenance Capex (\$2.7m).

<sup>2</sup> Calculated as NPAT of \$22.6m adjusted for Finance Costs (\$1.7m), Tax (\$9.0m), Depreciation and Amortisation (\$13.2m) and before Individually Significant Items of \$7.4m.

<sup>3</sup> Calculated as Net debt / Last 12 months EBITDA per banking facility covenant calculations.

<sup>4</sup> Restated prior period Consolidated Condensed Statement of Comprehensive Income as detailed in Note 12.

The Directors believe that the presentation of the unaudited non-IFRS financial summary above is useful for users of the accounts as it reflects the underlying financial performance of the business.

### Segment Performance

The Packaged Feeds and Ingredients segment contributed EBITDA of \$27.1m, an 18% increase on the previous corresponding period. The Rendering business delivered strong results due to higher selling prices for protein meals and tallows (which was partially off-set by the increased cost of raw materials paid to abattoirs), yield improvements and product premiumisation following the recent capital upgrades. The branded Packaged Products business grew product volumes in both the rural farming and urban petfood markets. The Aquafeed business continued to underperform due to surplus capacity in the sector and transitioned to a single site operation in FY22 1H. Novacq™ reported a loss as the production is seasonal and EBITDA is weighted to the second half of the financial year.

The Bulk Stockfeeds segment performed strongly, contributing EBITDA of \$18.6m, a 28% increase on the previous corresponding period. This reflects volume growth in all species, with significant gains in the poultry and dairy sectors, and the benefits derived from successful procurement strategies in the transition from the old to new season grain crop. The full benefit of the replacement of the aging Bendigo and Mooroopna feedmills with the new Wellsford feedmill was also realised in FY22 1H.



The corporate costs of \$6.5m represent an increase over the corresponding period of \$1.3m. This primarily reflects additional accruals for long-term employee incentives which are linked to the improved financial performance of the Company. The reduction in net finance costs to \$1.7m reflects lower interest rates and debt retirement.

### Cashflows and debt

Strong operational performance and proceeds from the sales of the Westbury and Bendigo facilities resulted in a net cash inflow of \$65.9m for FY22 1H (FY21 1H: \$21.4m).

Inventory values increased from \$81.9m at 30 June 2021 to \$94.7m at 31 December 2021 due to deliberate sourcing decisions to better position the business for FY22 2H (representing a cash outflow of approximately \$10m).

Net Debt was \$17.2m at 31 December, 2021 (\$83.1m at 30 June 2021) as a result of the strong cash performance. The Gearing and Leverage ratios at 31 December 2021 have reduced to 12.8% and 0.2x respectively.

### Individually Significant Items (Note 4)

The pre-tax, net effect of the Individually Significant Items is \$7.4m.

#### (i) Property sales

The sale of the Westbury feedmill generated a pre-tax profit of \$6.4m and the former feedmills at Bendigo and Mooroopna delivered an aggregate pre-tax profit on sale of \$2.9m. These gains have been segregated from the ongoing operating results and reported as Individually Significant Items.

#### (ii) Software-as-a-Service (SaaS) arrangements

The financial impact from the change in accounting policy adopted in FY21 is an expense to the Profit and Loss of \$1.9m, reported for consistency as an Individually Significant Item for FY22 1H. For FY21 1H the equivalent number was \$2.2m and this has been adjusted in the restated financial statements in this Appendix 4D.

### Outlook

Second half earnings (EBITDA) are expected to improve on the previous corresponding period with the business well positioned to grow earnings through;

- maintaining the momentum in the underlying business segments, and
- the ongoing delivery of the Growth Strategy.

Cash generation is expected to support maintenance capital, investment for growth, dividends and potential for other capital management strategies.

The outlook is subject to the ongoing impact of COVID-19 and the related inflationary pressures, however the business has taken proactive steps to reduce the potential impacts from these risks.

For further information please contact:

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## **RIDLEY CORPORATION LIMITED**

### **Directors' Report for the half year ended 31 December 2021**

The Directors present their report on the consolidated entity consisting of Ridley Corporation Limited and the entities it controlled at the end of, or during, the half year ended 31 December 2021.

#### **Directors**

The Directors of Ridley Corporation Limited at any time during or since the end of the half year and up to the date of this report are as follows:

M McMahon  
P M Mann  
R Jones

Q L Hildebrand  
E Knudsen

R J van Barneveld  
D J Lord

#### **Review of Operations**

The review of operations is set out on pages 2 and 3.

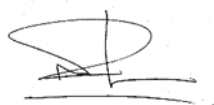
#### **Rounding of Amounts to Nearest Thousand Dollars**

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission relating to the "rounding off" of amounts in the directors' report and financial statements. Amounts in the directors' report and the consolidated financial statements have been rounded off to the nearest thousand dollars in accordance with that legislative instrument, unless otherwise indicated.

#### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is on page 5 and forms part of the Directors' report.

Signed and lodged from Melbourne on 17 February 2022 in accordance with a resolution of the Directors.



M McMahon  
CHAIR



Q L Hildebrand  
MANAGING DIRECTOR AND CHIEF  
EXECUTIVE OFFICER



## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Ridley Corporation Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Ridley Corporation Limited for the half-year ended 31 December 2021 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

A handwritten signature in blue ink that reads 'J. Carey.' with a stylized flourish at the end.

Julie Carey  
Partner

Melbourne

17 February 2022

**CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	Note	December 2021 \$'000	December 2020 <sup>1</sup> \$'000
Revenue	2	508,725	470,161
Cost of sales		(463,439)	(433,660)
<b>Gross profit</b>		<b>45,286</b>	<b>36,501</b>
Finance income		15	16
Other income	2	9,598	2,570
Expenses:			
Selling and distribution		(6,678)	(6,822)
General and administrative		(14,919)	(15,310)
Finance costs	3	(1,736)	(2,581)
<b>Profit before income tax</b>		<b>31,566</b>	<b>14,374</b>
Income tax expense		(8,986)	(4,314)
<b>Net profit after tax attributable to members of Ridley Corporation Limited</b>		<b>22,580</b>	<b>10,060</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>22,580</b>	<b>10,060</b>
<b>Total comprehensive income for the period attributable to members of Ridley Corporation Limited</b>		<b>22,580</b>	<b>10,060</b>
<b>Earnings per share</b>		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		7.1	3.2 <sup>1</sup>
Diluted earnings per share		6.8	3.2 <sup>1</sup>

<sup>1</sup> Restated prior period Consolidated Condensed Statement of Comprehensive Income as detailed in Note 12.

*The above consolidated condensed statement of comprehensive income should be read in conjunction with the accompanying notes.*

**CONSOLIDATED CONDENSED BALANCE SHEET AS AT 31 DECEMBER 2021**

	Note	December 2021 \$'000	June 2021 \$'000
<b>Current assets</b>			
Cash and cash equivalents		27,753	39,904
Receivables		114,632	113,561
Inventories		94,664	81,947
Assets held for sale		-	46,078
<b>Total current assets</b>		<b>237,049</b>	<b>281,490</b>
<b>Non-current assets</b>			
Receivables		16	1,446
Property, plant and equipment	7	240,494	244,802
Intangible assets	8	75,398	75,892
Deferred tax asset		7,689	9,431
<b>Total non-current assets</b>		<b>323,597</b>	<b>331,571</b>
<b>Total assets</b>		<b>560,646</b>	<b>613,061</b>
<b>Current liabilities</b>			
Payables		177,560	169,752
Provisions		17,443	17,319
Tax liability		6,229	5,858
<b>Total current liabilities</b>		<b>201,232</b>	<b>192,929</b>
<b>Non-current liabilities</b>			
Payables		8,164	9,262
Borrowings		44,986	123,000
Provisions		374	325
<b>Total non-current liabilities</b>		<b>53,524</b>	<b>132,587</b>
<b>Total liabilities</b>		<b>254,756</b>	<b>325,516</b>
<b>Net assets</b>		<b>305,890</b>	<b>287,545</b>
<b>Equity</b>			
Share capital		225,114	225,114
Share based payment reserves		1,834	1,706
Retained earnings		78,942	60,725
<b>Total equity</b>		<b>305,890</b>	<b>287,545</b>

The above consolidated condensed balance sheet should be read in conjunction with the accompanying notes.

**CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

\$'000	Share capital	Share based payment reserve	Retained earnings	Total
<b>Balance at 1 July 2021</b>	<b>225,114</b>	<b>1,706</b>	<b>60,725</b>	<b>287,545</b>
Profit for the period	-	-	22,580	<b>22,580</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>22,580</b>	<b>22,580</b>
<b>Transactions with owners recorded directly in equity:</b>				
Dividends paid	-	-	(6,231)	<b>(6,231)</b>
Transfer to Retained Earnings	-	(1,868)	1,868	-
Share-based payment transactions	-	1,995	-	<b>1,995</b>
<b>Total transactions with owners recorded directly in equity</b>	-	<b>128</b>	<b>(4,363)</b>	<b>(4,235)</b>
<b>Balance at 31 December 2021</b>	<b>225,114</b>	<b>1,834</b>	<b>78,942</b>	<b>305,890</b>

**FOR THE HALF YEAR ENDED 31 DECEMBER 2020**

\$'000	Share capital	Share based payment reserve	Retained earnings	Total
<b>Balance at 1 July 2020 <sup>1</sup></b>	<b>223,521</b>	<b>1,843</b>	<b>35,503</b>	<b>260,867</b>
Profit for the period <sup>1</sup>	-	-	10,060	<b>10,060</b>
<b>Other comprehensive income</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	<b>10,060</b>	<b>10,060</b>
<b>Transactions with owners recorded directly in equity:</b>				
Issue of share capital	1,593	-	-	<b>1,593</b>
Transfer to Retained Earnings	-	(1,656)	1,656	-
Share-based payment transactions	-	1,122	-	<b>1,122</b>
<b>Total transactions with owners recorded directly in equity</b>	<b>1,593</b>	<b>(534)</b>	<b>1,656</b>	<b>2,715</b>
<b>Balance at 31 December 2020</b>	<b>225,114</b>	<b>1,309</b>	<b>47,219</b>	<b>273,642</b>

<sup>1</sup> Restated prior period Consolidated Condensed Statement of Comprehensive Income and Consolidated Condensed Balance Sheet as detailed in Note 12.

The above consolidated condensed statement of changes in equity should be read in conjunction with the accompanying notes.



**CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	December 2021 \$'000	December 2020 <sup>1</sup> \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers	563,580	514,320
Payments to suppliers and employees	(530,204)	(480,428)
Other revenue received	293	248
Net interest and other finance costs paid	(1,403)	(2,488)
Income taxes paid	(6,874)	(2,522)
<b>Net cash from operating activities</b>	<b>25,392</b>	<b>29,130</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(6,062)	(6,807)
Payments for intangible assets	(398)	(294)
Proceeds from assets held for sale	57,427	2,010
<b>Net cash from / (used in) investing activities</b>	<b>50,967</b>	<b>(5,091)</b>
<b>Cash flows from financing activities</b>		
Share based payment transactions	(484)	(207)
Repayment of borrowings	(78,014)	(31,999)
Dividends paid	(6,231)	-
Payments for lease liabilities	(3,782)	(2,486)
<b>Net cash used in financing activities</b>	<b>(88,511)</b>	<b>(34,692)</b>
<b>Net movement in cash held</b>	<b>(12,152)</b>	<b>(10,653)</b>
<b>Cash at the beginning of the period</b>	<b>39,904</b>	<b>45,818</b>
<b>Cash at the end of the half year</b>	<b>27,753</b>	<b>35,165</b>

<sup>1</sup> Restated prior period Consolidated Condensed Statement of Cash Flows as detailed in Note 12.

The above consolidated condensed statement of cash flows should be read in conjunction with the accompanying notes.

**Notes to the financial statements**  
**For the half year ended 31 December 2021**

**Note 1 – Basis of preparation of interim financial report**

These condensed consolidated interim financial statements, comprising parent entity Ridley Corporation Limited, its subsidiaries and the Group's interest in equity accounted investments, as at, and for the six months ended, 31 December 2021, have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting*, International Financial Reporting Standard IAS 34 *Interim Financial Reporting* and the *Corporations Act 2001*. This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2021.

These interim financial statements were approved by the Board of Directors on 17 February 2022.

The principal accounting policies adopted in the preparation of these interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at, and for the year ended, 30 June 2021. There are no new accounting standards having material impact.

**New accounting standards and interpretations**

The Group has adopted all of the new and revised standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current half year.

**Note 2 – Revenue and other income**

	<b>CONSOLIDATED</b>	
	<b>December 2021 \$'000</b>	<b>December 2020 \$'000</b>
<b>Revenue from continuing operations</b>		
Sale of goods	508,725	470,161
<b>Finance income</b>	<b>15</b>	<b>16</b>
<b>Other income</b>		
Rental income	30	32
Gain on sales of residual property site assets	2,949	1,822
Gain on sale of Westbury extrusion plant	6,356	-
Other	263	716
	<b>9,598</b>	<b>2,570</b>

**Notes to the financial statements  
For the half year ended 31 December 2021**

**Note 3 – Finance Costs**

	<b>CONSOLIDATED</b>	
	<b>December 2021 \$'000</b>	<b>December 2020 \$'000</b>
Interest expense	1,418	2,504
Interest expense on lease liabilities	246	169
Amortisation of borrowing costs	80	75
Unwind of discount on deferred consideration	(8)	(167)
	<b>1,736</b>	<b>2,581</b>

**Note 4 – Individually Significant Items**

**Individually Significant Items before income tax and related disclosure in Consolidated Condensed Statement of Comprehensive Income:**

	<b>December 2021 \$'000</b>	<b>December 2020 \$'000</b>
Gain on sale of Westbury extrusion plant (Other Income)	6,356	-
Gain on sale of land assets held for sale (Other Income)	2,949	1,810
Software-as-a-Service (General and Administrative expenses) <sup>1</sup>	(1,926)	(2,156)
<b>Total Individually Significant Items gain / (loss) before income tax</b>	<b>7,379</b>	<b>(346)</b>

The sale of the Westbury extrusion plant for \$54.8m was completed on 2 August 2021. The asset was reflected as an asset held for sale at 30 June 2021 and a gain on sale of \$6.4m before income tax has been reported in the Consolidated Condensed Statement of Comprehensive Income for the half year ended 31 December 2021.

The sale of former feedmill at Bendigo was completed on 24 November 2021 for gross proceeds of \$2.2m and the sale of the former feedmill at Mooroopna was completed after balance date on 21 January 2022 for gross proceeds of \$1.6m. An aggregate gain on sale of \$2.9m before income tax has been recognised in the Statement of Comprehensive Income for the half year ended 31 December 2021.

<sup>1</sup> The change in accounting policy implemented in the second half of FY21 has given rise to a reclassification of \$2.2m of costs incurred in the half year ended 31 December 2020 that had previously been capitalised as an asset in the Consolidated Condensed Balance Sheet. These costs are now reflected as an expense in the Restated Consolidated Condensed Statement of Comprehensive Income (refer to Note 12).

The accounting policy has been consistently applied for the half year ended 31 December 2021, giving rise to an expense of \$1.9m in the Consolidated Condensed Statement of Comprehensive Income.

**Notes to the financial statements**  
**For the half year ended 31 December 2021**

**Note 5 - Dividends**

**Dividends paid during the half year:**

<b>Half year ended 31 December 2021</b>	<b>\$'000</b>
An FY21 Final Dividend of 2 cents per share, franked to 100%, was paid on 29 October 2021, comprising cash payment of \$6,231,000 and employee loan application of \$159,000.	<b>6,390</b>

<b>Half year ended 31 December 2020</b>	<b>\$'000</b>
There was no final dividend paid in respect of the 2020 financial year and no interim dividend was paid for the 2021 financial year.	-

**Note 6 – Segment reporting**

**Operating Segments**

The Group determines and presents operating segments based on information that internally is provided to and used by the Managing Director, who is the Group's Chief Operating Decision Maker (**CODM**).

Segment results reported to the Managing Director include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, head office expenses, cash and borrowings, income tax assets and liabilities and surplus property asset holding costs. Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Following the business restructure implemented in FY20, from 1 July 2020 Ridley is reporting segment information for:

- Packaged Feeds and Ingredients – comprising the Group's premium quality, high performance animal nutrition feed and ingredient solutions delivered in packaged form ranging from 1 tonne down to 3kg bags. This reporting segment includes the Aquafeed Business Unit.
- Bulk Stockfeeds – comprising the Group's premium quality, high performance animal nutrition stockfeed solutions delivered in bulk.

Notes to the financial statements  
For the half year ended 31 December 2021

Note 6 – Segment reporting (continued)

	BULK STOCKFEEDS	PACKAGED FEEDS & INGREDIENTS	CORPORATE	TOTAL
<b>31 December 2021 in \$'000</b>				
<b>Total sales revenue</b>	<b>341,540</b>	<b>167,185</b>	<b>-</b>	<b>508,725</b>
Finance costs	-	-	(1,736)	(1,736)
EBITDA before individually significant items	18,588	27,063	(6,508)	39,143
Depreciation & Amortisation (DA)	(7,947)	(5,264)	(9)	(13,220)
Reportable segment profit before income tax and before individually significant items	10,641	21,799	(8,253)	24,187
Individually significant items	-	-	7,379	7,379
<b>Reportable segment profit before income tax</b>	<b>10,641</b>	<b>21,799</b>	<b>(874)</b>	<b>31,566</b>
<b>31 December 2021 in \$'000</b>				
Segment assets	270,784	252,006	37,856	560,646
Segment liabilities	(145,076)	(53,376)	(56,304)	(254,756)
	BULK STOCKFEEDS	PACKAGED FEEDS & INGREDIENTS	CORPORATE	TOTAL
<b>31 December 2020 in \$'000</b>				
<b>Total sales revenue</b>	<b>310,990</b>	<b>159,171</b>	<b>-</b>	<b>470,161</b>
Finance costs	-	-	(2,581)	(2,581)
EBITDA before individually significant items	14,553	23,024	(5,189)	32,388
Depreciation & Amortisation (DA)	(8,171)	(6,939)	-	(15,110)
Reportable segment profit before income tax and before individually significant items	6,382	16,085	(7,747)	14,720
Individually significant items	-	-	(346) <sup>1</sup>	(346)
<b>Reportable segment profit before income tax</b>	<b>6,382</b>	<b>16,085</b>	<b>(8,093)</b>	<b>14,374</b>
<b>30 June 2021 in \$'000</b>				
Segment assets	258,618	305,374	49,069	613,061
Segment liabilities	(132,316)	(60,086)	(133,114)	(325,516)

<sup>1</sup> Restated prior period Consolidated Condensed Statement of Comprehensive Income and Consolidated Condensed Balance Sheet as detailed in Note 12.

**Notes to the financial statements**  
**For the half year ended 31 December 2021**

**Note 6 – Segment reporting (continued)**

Note that all tax assets and liabilities, and all cash and borrowings, have been disclosed within Corporate based on the parent entity responsibilities for the tax consolidated group and banking facilities and consistent with the central treasury function operation for the Ridley consolidated group.

**Notes to the financial statements**  
**For the half year ended 31 December 2021**

**Note 7 – Property, plant and equipment**

**31 December 2021 in \$'000**

	Land and Buildings	Plant and Equipment	Capital work in progress	Right of use assets	Total
Cost at 1 July 2021	85,338	313,341	13,973	22,871	435,523
Accumulated depreciation	(13,326)	(167,768)	-	(9,627)	(190,721)
<b>Carrying amount at 1 July 2021</b>	<b>72,012</b>	<b>145,573</b>	<b>13,973</b>	<b>13,244</b>	<b>244,802</b>
Additions	36	188	7,081	1,110	8,415
Transfers from plant under construction	52	2,306	(2,358)	-	-
Disposals	-	-	-	-	-
Depreciation	(1,083)	(9,287)	-	(2,354)	(12,724)
<b>Carrying amount at 31 Dec 2021</b>	<b>71,017</b>	<b>138,780</b>	<b>18,696</b>	<b>12,001</b>	<b>240,494</b>
<b>At 31 December 2021</b>					
Cost	85,426	315,835	18,696	23,981	443,938
Accumulated depreciation	(14,409)	(177,055)	-	(11,980)	(203,444)
<b>Carrying amount at 31 Dec 2021</b>	<b>71,017</b>	<b>138,780</b>	<b>18,696</b>	<b>12,001</b>	<b>240,494</b>

**31 December 2020 in \$'000**

	Land and Buildings	Plant and Equipment	Capital work in progress <sup>1</sup>	Right of use assets	Total <sup>1</sup>
Cost at 1 July 2020	100,835	356,068	12,321	13,699	482,923
Accumulated depreciation	(13,031)	(171,882)	-	(4,871)	(189,784)
<b>Carrying amount at 1 July 2020</b>	<b>87,804</b>	<b>184,186</b>	<b>12,321</b>	<b>8,828</b>	<b>293,139</b>
Additions	-	-	6,941	8,590	15,531
Transfers from plant under construction	344	8,736	(9,080)	-	-
Disposals	-	(135)	-	-	(135)
Depreciation	(1,278)	(10,688)	-	(2,348)	(14,314)
<b>Carrying amount at 31 Dec 2020</b>	<b>86,870</b>	<b>182,099</b>	<b>10,182</b>	<b>15,070</b>	<b>294,221</b>
<b>At 31 December 2020</b>					
Cost	101,472	358,440	10,182	22,230	492,324
Accumulated depreciation	(14,602)	(176,341)	-	(7,160)	(198,103)
<b>Carrying amount at 31 Dec 2020</b>	<b>86,870</b>	<b>182,099</b>	<b>10,182</b>	<b>15,070</b>	<b>294,221</b>

<sup>1</sup> Restated prior period Consolidated Condensed Balance Sheet as detailed in Note 12.

Notes to the financial statements  
For the half year ended 31 December 2021

Note 8 – Intangibles

31 December 2021 in \$'000

	Software	Goodwill	Contracts	Assets under development	Total
Cost at 1 July 2021	18,095	69,903	2,685	4,347	95,030
Accumulated depreciation	(16,683)	(953)	(997)	(505)	(19,138)
<b>Carrying amount at 1 July 2021</b>	<b>1,412</b>	<b>68,950</b>	<b>1,688</b>	<b>3,842</b>	<b>75,892</b>
Additions	-	-	-	400	400
Amortisation	(376)	-	(396)	(120)	(892)
<b>Carrying amount at 31 Dec 2021</b>	<b>1,034</b>	<b>68,950</b>	<b>1,292</b>	<b>4,122</b>	<b>75,398</b>

As at 31 December 2021

Cost	18,077	69,903	2,685	4,747	95,412
Accumulated depreciation and amortisation	(17,043)	(953)	(1,393)	(625)	(20,014)
<b>Carrying amount at 31 Dec 2021</b>	<b>1,034</b>	<b>68,950</b>	<b>1,292</b>	<b>4,122</b>	<b>75,398</b>

31 December 2020 in \$'000

	Software	Goodwill	Contracts	Assets under development	Total
Cost at 1 July 2020	18,065	69,903	685	3,250	91,903
Accumulated depreciation	(15,381)	(953)	(303)	(265)	(16,902)
<b>Carrying amount at 1 July 2020</b>	<b>2,684</b>	<b>68,950</b>	<b>382</b>	<b>2,985</b>	<b>75,001</b>
Additions	31	-	-	539	570
Amortisation	(676)	-	(275)	(121)	(1,072)
<b>Carrying amount at 31 Dec 2020</b>	<b>2,039</b>	<b>68,950</b>	<b>107</b>	<b>3,403</b>	<b>74,499</b>

As at 31 December 2020

Cost	18,080	68,950	685	3,789	91,504
Accumulated depreciation and amortisation	(16,041)	-	(578)	(386)	(17,005)
<b>Carrying amount at 31 Dec 2020</b>	<b>2,039</b>	<b>68,950</b>	<b>107</b>	<b>3,403</b>	<b>74,499</b>



## **Note 9 – Contingent liabilities**

In the ordinary course of business the Group may be subject to legal proceedings or claims. Where there is significant uncertainty as to whether a future liability will arise in respect of these items, or the amount of liability (if any) which may arise cannot be reliably measured, these items are accounted for as contingent liabilities. Based on information available as of the date of this report, the Group does not expect any of these items to result in a material loss.

## **Note 10 – Fair values**

### **Fair values versus carrying amounts**

The carrying amount of financial assets and liabilities approximates their fair value. For financial assets and liabilities carried at fair value, the Group uses the following to categorise the method used:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Valuation inputs include forward curves, discount curves and underlying spot and futures prices.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## **Note 11 – Events occurring after the balance sheet date**

The Board has determined to pay an interim dividend of 3.4 cents per share (cps), fully franked and payable on 29 April 2022.

There are no other matters or circumstances that have arisen since 31 December 2021 that have significantly affected, or may significantly affect:

- (i) the consolidated entity's operations in future financial periods; or
- (ii) the results of those operations in future financial periods; or
- (iii) the consolidated entity's state of affairs in future financial periods.

## Note 12 – Restatement of prior year comparatives

During the half year ended 31 December 2021, Ridley completed the implementation of a new, cloud-based Enterprise Resource Planning (ERP) end to end computer system. For the year ended 30 June 2021, Ridley assessed the costs previously capitalised to the balance sheet as Capital works in progress against the new IFRIC interpretation for Software as a Service (SaaS), introduced in the second half of that financial year.

Consequently, \$3.6m of pre-tax ERP project costs incurred in FY21 were derecognised and reported in the Consolidated Statement of Comprehensive Income as an Individually Significant Item, with a further \$1.1m before tax derecognised in respect of FY20 as a prior year restatement.

The equivalent pre-tax ERP project costs incurred in the six month period ended 31 December 2020 and capitalised in the balance sheet reported as at that date of \$2.2m, have been restated in this Appendix 4D, together with the \$1.1m adjustment associated with FY20.

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

#### FOR THE SIX MONTHS ENDED 31 DECEMBER 2020 in \$'000

	As previously reported	Adjustment	As restated
General and administrative expenses	(13,154)	(2,156)	(15,310)
Profit before income tax	16,530	(2,156)	14,374
Income tax expense	(4,961)	647	(4,314)
Profit attributable to members	11,569	(1,509)	10,060
<b>Total Comprehensive Income</b>	<b>11,569</b>	<b>(1,509)</b>	<b>10,060</b>

### CONSOLIDATED CONDENSED BALANCE SHEET

#### AS AT 31 DECEMBER 2020 in \$'000

	As previously reported	Adjustment	As restated
Property, plant and equipment	297,489	(3,268)	294,221
Deferred tax asset	8,500	981	9,481
Total non-current assets	382,145	(2,287)	379,858
Total assets	631,753	(2,287)	629,466
<b>Net assets</b>	<b>275,929</b>	<b>(2,287)</b>	<b>273,642</b>
Retained earnings	49,506	(2,287)	47,219
<b>Total equity</b>	<b>275,929</b>	<b>(2,287)</b>	<b>273,642</b>

### CONSOLIDATED CONDENSED STATEMENT OF CASHFLOWS

#### AS AT 31 DECEMBER 2020 in \$'000

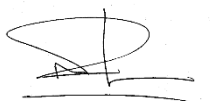
	As previously reported	Adjustment	As restated
Payments to suppliers and employees	(478,272)	(2,156)	(480,428)
<b>Net cash from operating activities</b>	<b>31,286</b>	<b>(2,156)</b>	<b>29,130</b>
Payments for property, plant and equipment	(8,963)	2,156	(6,807)
<b>Net cash used in investing activities</b>	<b>(7,247)</b>	<b>2,156</b>	<b>(5,091)</b>

## Directors' Declaration

In the opinion of the Directors of Ridley Corporation Limited:

- a. the financial statements and notes set out on pages 6 to 18 are in accordance with the Corporations Act 2001 including:
  - i. complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - ii. giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the six month period ended on that date; and
- b. there are reasonable grounds to believe that Ridley Corporation Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



M McMahon  
CHAIR



Q L Hildebrand  
MANAGING DIRECTOR AND CHIEF  
EXECUTIVE OFFICER

Melbourne  
17 February 2022



## Independent Auditor's Review Report

To the shareholders of Ridley Corporation Limited,

### Report on the Half-year Financial Report

#### Conclusion

We have reviewed the accompanying *Half-year Financial Report* of Ridley Corporation Limited (the Company).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Ridley Corporation Limited does not comply with the *Corporations Act 2001*, including:

- iii. giving a true and fair view of the *Group's* financial position as at 31 December 2021 and of its performance for the Half-year ended on that date; and
- iv. complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The *Half-year Financial Report* comprises:

- Consolidated condensed statement of financial position as at 31 December 2021;
- Consolidated condensed statement of comprehensive income, Consolidated condensed statement of changes in equity and Consolidated condensed statement of cash flows for the Half-year ended on that date;
- Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The *Group* comprises Company and the entities it controlled at the Half year's end or from time to time during the Half-year.

The Half-year Period is the six months ended on 31 December 2021.

#### Basis for Conclusion

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

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#### Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Half-year Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a Half-year Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The KPMG logo is displayed in a blue, stylized font.

KPMG

A handwritten signature in blue ink, reading 'J. Carey.', is shown.

Julie Carey  
Partner

Melbourne

17 February 2022