



ASX Announcement

31 August 2016

Wellard releases preliminary FY2016 financial results

Wellard Ltd (**Wellard**) (ASX:WLD) has released its preliminary final report for the year ended 30 June 2016 (**FY2016**)(**Appendix 4E**), recording a pro forma* Net Profit After Tax (**NPAT**) of \$14.8 million and Gross Profit of \$88.9 million.

Wellard is an agribusiness that connects primary producers of cattle, sheep and other livestock to customers globally through a vertically integrated supply chain.

Wellard is the largest exporter of live cattle from Australia and a significant seaborne livestock marketer and exporter globally.

Key elements of the pro forma* actual FY2016 results relative to the prospectus FY2016 forecast are as follows:

Pro forma *	FY2016 Actual \$ million	FY2016 Prospectus \$ million
Revenue	573.8	607.4
Gross Profit	88.9	113.4
EBITDA	38.7	76.1
NPAT	14.8	46.4

Wellard Managing Director Mauro Balzarini said Wellard and its shareholders had endured a tough start to listed life, which meant the Company did not achieve its prospectus forecasts. “A sharp reduction in cattle supply in Australia, combined with resultant record high cattle prices, significantly impacted the Company’s trading margins. When combined with two vessel breakdowns and the delayed delivery of the M/V Ocean Shearer it weighed heavily on our financial results,” Mr Balzarini said.

“Importantly, despite these tough trading conditions we still achieved a pro forma NPAT of \$14.8 million. We are now focussed managing the business through the current challenging livestock market landscape so that we are positioned to take advantage of the opportunities that will present themselves to Wellard when livestock prices invariably return to their normal trading range.

“That will be helped by entry of the M/V Ocean Shearer to Wellard’s fleet which occurred in late FY2016 and the development of our South American operations.”

Given the significant variance in profit from that contemplated in the prospectus, and the continued margin compression caused by a shortage of cattle in Australia resulting in record high cattle prices, the Board of Directors have decided not to pay a dividend for FY2016.

Wellard will lodge its audited accounts by 30 September 2016.

Executive and board changes

Ms Sharon Warburton, resigned as a Non-Executive Director of Wellard on Friday, 26 August 2016.

Non-Executive Director Philip Clausius, a current member of Wellard's Audit Risk and Compliance Committee, has taken over as Chair of the Committee.

The Wellard Board will appoint a replacement Non-Executive Director in due course.

Ms Yasmin Broughton, General Counsel and Company Secretary, has also tendered her resignation and has agreed to stand down from her roles at the completion of her three-month notice period. The Company will commence an executive search process to identify a suitable replacement during that period.

Wellard acknowledges the contributions of Ms Warburton and Ms Broughton to the Company and wishes them well in their future endeavours.

*Pro forma FY2016 excludes all one-off IPO related costs, normalisation of interest expenses to reflect post IPO capital structure, and tax expense increase to reflect the appropriate company tax rate after removal of one-off IPO related costs.

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