



27 June 2017

Media Release

Tegel Foods FY17 Full Year Results Announcement

Tegel delivers continued growth with record volumes, revenues and profit

New Zealand's largest poultry producer, Tegel Group Holdings Limited (NZX/ASX: TGH, the Company), today reported its FY2017 results for the 53 weeks ended 30 April 2017. The Company reported Net Profit After Tax (NPAT) of \$34.2 million. This was \$22.9 million higher than the prior year mainly as a result of a change in capital structure following listing. Underlying EBITDA was \$75.6 million, 0.8% ahead of FY2016. Both NPAT and underlying EBITDA were within the Company's revised guidance range issued in December 2016.

The Company achieved record poultry volumes of 99,806 tonnes, 7.1% ahead of FY2016. This drove record revenue of \$614.0 million, 5.4% ahead of FY2016. Tegel's Gross Profit of \$145.1 million was 1.6% below FY2016, largely due to lower domestic pricing.

Tegel CEO Phil Hand recognised it has been a challenging first year for Tegel as a listed company, but emphasised that the business was in good shape, was focused on its longer term strategy, and had achieved a number of significant goals throughout the year.

"Naturally, we are very disappointed to not achieve our original PFI numbers. Despite this, we have achieved a lot this year. In FY2017 we raised and processed more birds than ever before. For the first time we exceeded \$600 million in revenue and we increased our leading domestic market position by 2%. This was driven by our brand refresh and the development and launch of 29 innovative new products. Our focus on cost saving initiatives and continuous improvement programmes resulted in \$12 million savings for the year.

"In terms of our international markets, we increased export volumes by 6.7% for the year. Looking ahead, we have secured the listing of a wider range of Tegel branded product, which will soon be on shelf in the Australian retail channel. We have entered the Philippines, a new market for us, where we have secured our first customer."

“Overall, Tegel has delivered a strong result and we continue to focus on our long term growth strategy. This includes the work we have done on implementing our \$30 million capital investment programme throughout the year. Tegel has continued to invest in agricultural and processing assets that support sales growth and deliver efficiency gains and it has been very satisfying to see new automation equipment commissioned and delivering benefits so quickly.”

Tegel’s Board of Directors declared a final dividend of 4.10 cents per share bringing total dividend of 7.55 cents per share for FY2017.

Looking ahead to FY2018, based on the current market conditions, holding domestic market share, with continued domestic consumption growth of 4-5% and continuing exports, overall, Tegel expects to deliver an increase in underlying EBITDA on FY2017.

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About Tegel

Tegel Group Holdings Limited (NZX/ASX: TGH) processes approximately 53 million birds per year, across vertically integrated operations in Auckland, Christchurch and New Plymouth. It is New Zealand’s leading poultry producer, processing approximately half of New Zealand’s poultry, and also manufactures and markets a range of other processed meat products. Tegel produces a range of products across its core business (e.g. fresh and frozen whole chickens, fillets and portions), and value added convenience products (e.g. fresh value added, cooked and smoked small goods and frozen further processed products), which are sold through three key sales channels domestically (retail grocery, foodservice / industrial and quick-service restaurants), and in selected channels in international markets. Its brands are Tegel, Rangitikei and Top Hat.

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