18 November 2026 ASX/Media Announcement

AACo delivers record first-half Operating Profit of $64.8 million

- Revenue: $251.0m vs $232.9m pcp, driven by stronger beef prices and growth in branded beef volumes.
- Operating Profit: $64.8m vs $39.8m pcp, as targeted market allocation and stronger pricing lifted margins.
- Core Free Cash Flow: ($3.0m) vs $7.8m pcp, reflecting enhancements to existing business assets, while net operating cash flow improved to $25.7m (pcp: $2.2m).
- Statutory Net Profit After Tax: $60.8m vs $82.2m pcp, as stronger operating earnings were outweighed by a lower unrealised herd market value gain of $70.5m (pcp: $94.7m).
- NTA: $3.04 per share vs $2.92 at 31 March 2026, an increase of 4%.

HY27 Results Overview

Australian Agricultural Company Limited (ASX:AAC) (AACo) has delivered a record first-half Operating Profit[1] of $64.8 million for the half-year ended 30 September 2026, up 63% on the prior corresponding period (pcp). Total revenue rose 8% versus pcp to $251.0 million.

Beef sales revenue grew 18% to $178.6 million, with average prices up 10% to $20.39/kg and volumes up 5% versus pcp. Strategic global allocations, improved brand equity and underlying momentum in demand for premium beef have strengthened margins, partly offset by increased costs from geopolitical disruption.

Net operating cash flow was $25.7 million (pcp: $2.2 million), driven by beef sales growth and lower Better Beef program spend. Free Cash Flow improved by $11.3 million versus pcp. Core Free Cash Flow[2] was an outflow of $3.0 million (pcp: $7.8 million inflow), reflecting investment in enhancements to existing business assets.

Statutory Net Profit After Tax was $60.8 million (pcp: $82.2 million), as stronger operating earnings were outweighed by a lower unrealised herd market value gain of $70.5 million (pcp: $94.7 million).

Net Tangible Assets have increased 4% to $3.04 per share since 31 March 2026, driven primarily by the uplift in cattle values. Gearing reduced to 21.8% (31 March 2026: 22.3%), with $212 million of undrawn debt capacity providing flexibility to fund growth.

AACo Managing Director and CEO David Harris said: “This record result has been years in the making. Our deliberate investment in branded beef is allowing AACo to capitalise on strong demand for our premium product, with profit growth outpacing revenue growth. It demonstrates our strategy is working and creating long-term value.”

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[1] Operating Profit is unaudited, non-IFRS financial information and represents an adjusted statutory EBITDA. It removes unrealised livestock mark-to-market fluctuations, unrealised foreign exchange movements and market-based LTI expenses from the statutory result, and measures cost of goods sold using production costs rather than fair value.

[2] Core Free Cash Flow represents Free Cash Flow, excluding discretionary strategic investment expenditure.

Operating Profit and Core Free Cash Flow are unaudited, non-IFRS financial measures and do not have standardised meanings prescribed by AAS or IFRS.

Supply Chain

Cattle sales revenue decreased 11% versus pcp to $72.4 million, reflecting a deliberate reduction in volumes to accelerate herd development, partly offset by 35% higher pricing on favourable market conditions and mix. Our Better Beef initiatives are targeted at a more efficient supply chain, with cattle sales volumes expected to vary as we continue to develop and optimise the herd.

During the half, we continued to invest in Better Beef initiatives to lift the volume and quality of our branded beef. Combined with higher input costs from geopolitical disruption and timing differences in operational activities, this increased cost of production to $3.04/kg, up 24% versus pcp.

AACo also expanded flood refuge infrastructure to strengthen herd resilience following the North Queensland floods in early 2026. Information to date indicates no further flood-related losses are required to be recorded.

Commercial Performance

The US was the largest contributor to AACo's sales growth and is now its largest market, with beef sales up 57% versus pcp to $47.5 million, supported by a dedicated in-market team, a national distribution partnership and realised foreign exchange hedge gains.

In Asia, Westholme expanded into premium foodservice, and our Darling Downs brand achieved 14% price growth versus pcp in Korea. A partnership with MasterChef Asia, launched in September, is building Darling Downs' visibility across the region. Domestically, Darling Downs strengthened its presence through Harris Farm stores, and 1824 increased its margin contribution through stronger pricing and broader international reach.

AACo achieved revenue growth while navigating diverse international trade conditions, which included quotas being filled earlier than usual in Korea and China, and higher distribution costs into the Middle East.

Mr Harris said: "Investment in our brands and customer relationships is paying off, and we see opportunities to further enhance our global distribution network and grow in our key target markets."

Strategic Execution

Better Beef

Intensive Wagyu supply chain improvements are lifting quality, while expanded distribution and new partnerships are building brand equity and growth in key markets.

Strategic investment in the Aronui feedlot expansion is creating capacity for future volume growth in branded beef.

Unlock the Value of the Land

Post-balance date, AACo acquired Adelong, a backgrounding and dryland cropping property in Central Queensland adjacent to Goonoo. Moving from a lease to ownership provides greater certainty over an important operational asset, strengthening AACo's integrated supply chain.

Mr Harris said: "Adelong is already well integrated into our operations, providing feed and backgrounding capacity for Goonoo. Owning it gives us long-term control of that asset and the flexibility to use it in the way that best supports Goonoo's growth and our branded beef supply chain."

Partner and Invest

AACo commenced a beef emissions-insetting trial with industry partners through the Zero Net Emissions from Agriculture Cooperative Research Centre to test ways to reduce emissions within its supply chain.

AACo has also invested in Drover, an ear-tag virtual fencing technology company, with potential applications for improved grazing management and livestock monitoring.

Operating Environment

Constrained global red meat supply and strong demand are providing supportive beef price conditions, with enhancements to AACo's distribution targeted at improving returns. AACo is well positioned to use its international network to optimise product allocation across markets, while tariffs, safeguards and geopolitical disruption continue to affect trade flows.

While seasonal conditions have supported productivity to date, El Niño and variable rainfall are key watchpoints for the remainder of the year. AACo is actively managing costs across its operations, with pressures from interest rates, fuel and input costs.

Mr Harris said: "We're continuing to build a stronger, more resilient business, and we're confident in our ability to execute. Through the rest of FY27, we're focused on converting demand for our Wagyu into improved margins and cash flow, while continuing to invest for growth."

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For the purposes of ASX Listing Rule 15.5, AACo confirms that this announcement has been authorised for release to the market by the Board.

Forward-looking statements: This announcement may contain forward-looking statements regarding AACo's future performance, business strategy, plans and objectives. These statements are based on AACo's current expectations, estimates and assumptions and are subject to known and unknown risks and uncertainties, many of which are beyond AACo's control. Actual results or outcomes may differ materially from those expressed or implied by these statements.