

11 January 2022

ASX RELEASE



BUSINESS UPDATE

Inghams Group Limited (ASX: ING, Ingham's) provides the following update on Ingham's business in the current COVID conditions.

- Ingham's previous market update at the AGM on 5 November 2021 indicated that a key feature of early FY22 had been the challenges of the extended COVID lockdowns in New South Wales, Victoria and Auckland. The rapid spread of the Omicron variant across Eastern Australian States from December 2021 and the resulting staff shortages, are now also having a significant impact on the Australian supply chain, operations, logistics and sales performance of Ingham's, and some of its suppliers and customers. This has disrupted production and distribution capability, and impacted sales.
- All Ingham's major Australian sites are operational and have not experienced significant on-site transmission of COVID. However, they are currently experiencing significantly lower levels of staff availability, which is impacting production volumes and operational efficiency.
- Operational changes are being made to volume and mix across Ingham's Australian business and it is not currently possible to predict how long this disruption will continue. It is therefore premature to draw any conclusions on the overall impacts on the business and trading results.
- Feed costs continue to remain elevated.

Ingham's CEO and Managing Director Andrew Reeves said: "Following the COVID issues we faced in calendar 2021, the recent Omicron surge in Australia has presented unprecedented challenges to Ingham's Australian business, with many Ingham's employees being forced to isolate at home due to contracting COVID in the community or as a result of being close contacts."

"We are currently maintaining our Australian processing operations while seeking to ensure the safety and engagement of our employees, many of who are demonstrating outstanding levels of commitment to work through the current challenges."

"The operational and trading difficulties have resulted in significant operational inefficiency, additional costs and the temporary suspension of a number of Ingham's products. Ingham's is working closely with our customers and we are focused on supplying as much product as possible to customers while the current disruption continues."

"I would like to acknowledge the recent announcements by both the Federal Government and State Governments on changes to isolation rules for close contacts in the food sector which should assist to alleviate some of the current staff shortages. As operating conditions begin to stabilise, we expect our production capacity to recover relatively quickly to meet customer and consumer demand."

"The company continues to manage the cumulative impacts associated with COVID issues which have arisen through FY22. We will continue to closely manage our working capital and inventory and seek to implement initiatives to minimise the financial and other impacts of COVID through the second half."

Inghams Group Limited

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Ingham's 1H FY2022 results will be announced to the market on 18 February 2022 and a further update on operations and trading performance will be provided at that time.

This announcement has been authorised by the Ingham's Chairman and CEO & Managing Director.



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