

ASX RELEASE

25 February 2022

ASX CODE: BFC

1H22 Results Release

For the period ending 31 December 2021

Strong operational performance in 1H22 underpins continuing trend towards higher margins and profitability.

1H22 delivered several record operational outcomes:

- Milk supply of 79.8ML + 8% on 1H21
- Mozzarella production of 7,939 MT + 41% on 1H21
- Lactoferrin production of 7.43T 11.6x higher than in 1H21
- Sales revenue of \$68 million + 29% on 1H21
- Revenue/litre of milk \$0.79 + 20% on 1H21

Margins in the dairy business have grown as a result of improved operational performance and increased Lactoferrin sales. The COVID-19 pandemic however, continued to impact both our general trading conditions and our Lactoferrin sales growth rate which impacted the overall financial result. Continuing organic growth and upwards trends in global prices for dairy product in recent months are expected to reflect in the results for 2H22.

Key financial outcomes:

- Dairy gross margin 6.2% + 5.2% on 1H21
- EBITDA loss of \$9.9 million \$0.5 million improvement on 1H21
- NPAT loss of \$7.8 million \$1.0 million improvement on 1H21

The accompanying presentation provides a detailed review of the 1H22 performance of BFC.

Commenting on the 1H22 results, Interim CEO Darren Flew said “The underlying operating performance of the dairy business has been strong and in line with expectations. The overall performance of the Mozzarella plant and the Lactoferrin plant at the key Jervois site has been very good. The operations team has performed very well and have put behind them the significant operating issues faced in FY21 and the challenges of constructing and commissioning the Lactoferrin plant. Operating costs have been largely in line with plans except for some additional costs caused by some reliability issues in the whey powder plant, which is an older section of the Jervois site.”

“Whilst financially the half-year result was below expectations, largely due to the difficult trading conditions caused by the ongoing effects of the pandemic, the trend towards profitability is evident in the result.”

In April this year, BFC will welcome new CEO Fabrizio Jorge who has enjoyed a stellar career in the global dairy industry and is one of the most experienced dairy leaders in Australia.

The Company has also announced the appointment of David Isherwood as its Chief Manufacturing Officer. David has 20 years of experience with Fonterra, holding senior roles in the technical, quality and business areas of Fonterra’s operations around the world including Japan, Netherlands and New Zealand.

The presentation accompanying this release sets out for shareholders in some detail the key factors driving the improved operating performance, discusses current market conditions, including the current soft Lactoferrin market, and points to the strengthening in dairy product prices that are beginning to flow into the 2H22 result.

This ASX Release was approved and authorised for release by the Board of Beston Global Food Company Limited.

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ABOUT BESTON GLOBAL FOOD COMPANY LIMITED

Beston Global Food Company is a proud South Australian multi award-winning company taking the best of Australian protein products to the world with fresh milk supplied by valued farmers. The company provides direct and indirect employment for nearly 300 people. For more information please visit: www.bestonglobalfoods.com.au