

Noumi Limited (ASX: NOU)

Quarter ended 31 December 2022 Quarterly Activities and 4C Report:

Noumi Limited (**ASX: NOU**) (**Noumi** or the **Company**), a leading producer of long-life dairy and plant-based beverages and nutritional products, today releases its Appendix 4C Quarterly Cash Flow Report for the quarter ended 31 December 2022 (unaudited) and is pleased to provide the following update on the Company's financial and operating performance.

Current trading and H1 FY2023 performance:

- Total revenue from continuing operations¹ for the six months to 31 December 2022 was up 5.5% to \$279.8 million compared to the prior year.
- The Plant-based Beverages business continues to perform well, with another period of strong growth for MilkLab products. Sales were up in Q2 FY2023 compared to Q1 FY2023 and were down only slightly compared to Q2 of the prior year. For the six months to 31 December 2022, sales were up 10.8%, excluding certain discontinued products now largely replaced with higher-margin sales of the Company's own brands.
- In Dairy and Nutritionals, the recovery of significant increases in farmgate milk prices is beginning to be reflected in the Company's improved financial performance, particularly through price increases agreed with domestic retail customers.
- As foreshadowed in the Q1 FY2023 update, some export markets have not been prepared to accept the price increases required to achieve positive margins and, accordingly, the company has reduced volume in export markets.
- During H1 FY2023, floods in regional Victoria caused some disruption to Noumi's dairy operations in Shepparton. While no material property losses were incurred, there was significant disruption to customer supply lines, site operations and supplier farms. Most of these disruptions have now been overcome, although there is likely to be extended pressure on milk volumes off farm in the region.
- During the half, Noumi has been very focussed on improving margins, tight cost control and the continued growth of its brands. Together with the abatement of COVID-19 impacts on its workforce and markets, this means the Company expects to announce an improvement in adjusted operating EBITDA from continuing operations for the six months to 31 December 2022 compared to the prior year.

Q2 FY2023 key features:

For the quarter ended 31 December 2022:

- Total Q2 FY2023 revenue from continuing operations of \$145.8 million was up \$5.9 million or 4.2% compared to Q2 FY2022. Revenue was up \$11.8 million or 8.8% compared to Q1 FY2023.
- Plant-based Beverages Q2 FY2023 revenue of \$41.3 million was down \$2.5 million or 5.7% compared to Q2 FY2022, reflecting the planned reduction in sales of lower-

¹ Continuing operations excludes Speciality Seafood, divested in November 2021

margin products. Excluding these discontinued sales, revenue was up 3.6% compared to Q2 FY2022 and revenue was up \$0.8 million or 1.9% compared to Q1 FY2023.

- Dairy and Nutritionals Q2 FY2023 revenue of \$104.5 million was up \$8.3m or 8.6% compared to Q2 FY2022. Revenue was up \$11.2 million or 12% compared to Q1 FY2023.
- Positive Q2 FY2023 operating cash flow of \$13.9 million includes legal and US litigation expenses of \$8.2 million. Q2 FY2023 cashflow was favourably impacted by approximately \$9 million due to the timing of certain December 2022 payments that moved into January 2023.
- At 31 December 2022, the Company's unrestricted cash position was \$24.1 million, with undrawn facilities of \$8 million. Combined unrestricted cash at bank and undrawn facilities total \$32.1 million.
- Since 31 December 2022, the Company has reached agreement with its bankers to increase the limit of its revolving credit facility by \$10 million. Had this increase been in place at December 31, combined unrestricted cash at bank and undrawn facilities would have been \$42.1 million.

Business performance

Plant-based Beverages

A leading producer of long-life plant-based products including soy, rice, oat and almond milk and liquid stocks.

The Plant-based Beverages segment continues to grow, with revenue for Q2 FY2023 of \$41.3 million up \$1.5 million or 3.6% compared to Q2 FY2022 excluding the discontinued products. Revenue was up 1.9% compared to Q1 FY2023.

Milklab continued its strong momentum, with sales growth in Q2 FY2023 of 21.2% compared to Q1 FY2023. Plant-based sales for Southeast Asia rebounded in the period, up \$0.9m or 38.9% compared to Q1 FY2023.

Sales in the out-of-home channel rose \$0.4m or 1.5% compared to Q1 FY2023 as COVID-19 impacts continued to ease.

In the fast-growing oat milk segment, Milklab Oat continued its strong performance, with sales up 48.6% in Asia export markets and up 17.9% domestically compared to Q1 FY2023.

Dairy and Nutritionals

A leading producer of long-life dairy milk, nutritional products and performance powders.

Total Dairy and Nutritionals revenue increased to \$104.5 million, up \$8.3m or 8.6% compared to Q2 FY2022, particularly reflecting the positive impact of higher prices in domestic retail markets to offset the significant rises in farmgate milk prices reported previously. Total revenue was up \$11.2 million or 12% compared to Q1 FY2023, with sales of Dairy UHT up \$4.6 million or 6.6% and Nutritional Ingredients up \$4.8 million or 67.6% mainly reflecting a \$3.3 million increase in lactoferrin sales as \$2.1 million of Q1 orders were delivered in Q2.

Dairy UHT sales to domestic retail customers were up \$2.1 million or 6.8% compared to Q1 FY2023, reflecting increasing prices with slightly lower volumes. Out-of-home Dairy UHT sales were up \$0.5 million or 11.2%.

Dairy UHT sales to export market were up \$2.6 million or 8.2% compared to Q1 FY2023, mainly due to the delivery of Q1 orders being satisfied in Q2 FY2023.

Consumer Nutritionals sales were up \$0.3 million or 4.1% compared to Q1 FY2023, with lower volume but an increase in net price.

Appendix 4C cashflow report – released with this activity report

- Positive Q2 FY2023 operating cash flow of \$13.9 million includes legal and US litigation expenses of \$8.2 million. Q2 FY2023 cashflow was favourably impacted by approximately \$9 million due to timing of certain December 2022 payments that moved into January 2023.
- Capital expenditure investments of \$1.0 million in property plant and equipment and proceeds of \$0.4 million from disposal of property plant and equipment were recorded during Q2 FY2023.
- At Q2 FY2023 close, the Company had \$449.7 million of available finance facilities, of which \$441.7 million was drawn.
- The Company elected to pay interest-in-kind amounting to \$7.0 million on Convertible Notes for Q2 FY2023, of which \$3.0 million is attributable to related party investors.

Related party payments – Current Quarter (October 2022 to December 2022)

Payment to	Nature of Payment	Amount (A\$)
Independent Directors	Director fees	137,523
Non-Independent Directors	Director fees	81,261
Michael Perich – CEO	Employment costs	192,159
Australian Fresh Milk Trading P/L	Milk purchases	3,412,197
Perich Property Holdings P/L	Rent and outgoing	850,304
Perich Property Unit Trust	Rent and outgoing	1,860,298
Leppington Pastoral Co P/L	Directors' indemnity recharges	162,149
	Q2 FY2023 Total	6,695,891

Note to Market

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

This Company presentation may include certain statements, estimates or projections with respect to the anticipated future performance of the Company, and any ongoing or future projects or both. Those statements, estimates or projections are based on assumptions about future events and management actions that may not necessarily take place and are subject to significant uncertainties, many of which are outside the control of the Company. Those assumptions may, or may not, prove correct. No representation is made as to the accuracy of those statements, estimates or projections.

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Investor contact:

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The release of this announcement was authorised by the Board of Directors.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Noumi Limited

ABN

41 002 814 235

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		148,503	286,250
1.2 Payments for			
research and development		(133)	(257)
product manufacturing and operating costs		(111,869)	(236,891)
advertising and marketing		(3,421)	(7,521)
leased assets		(2,548)	(4,942)
staff costs		(7,162)	(13,804)
administration and corporate costs		(4,384)	(9,381)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	7
1.5 Interest and other costs of finance paid		(2,130)	(4,309)
1.6 Income taxes paid		-	4
1.7 Government grants and tax incentives		-	-
1.8 Other (legal and US litigation costs)		(2,938)	(8,208)
1.9 Net cash from / (used in) operating activities		13,916	949
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
entities		-	-
businesses		-	-
property, plant and equipment		(1,029)	(1,585)
investments		-	(24,807)
intellectual property		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	other non-current assets (software)	-	(425)
2.2	Proceeds from disposal of:		
	entities	-	-
	businesses	-	-
	property, plant and equipment	365	365
	investments	-	29,379
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(664)	2,928

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(20)
3.5	Proceeds from borrowings	5,000	11,000
3.6	Repayment of borrowings	(505)	(5,681)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease payments)	(606)	(1,330)
3.10	Net cash from / (used in) financing activities	3,889	3,970

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,915	16,210
4.2	Net cash from / (used in) operating activities (item 1.9 above)	13,916	949
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(664)	2,928

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,889	3,970
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	24,057	24,057

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	24,057	6,915
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24,057	6,915

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	6,696
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000																																																																																					
7.1	Loan facilities	449,730	441,730																																																																																					
7.2	Credit standby arrangements	-	-																																																																																					
7.3	Other (please specify)	-	-																																																																																					
7.4	Total financing facilities	449,730	441,730																																																																																					
7.5	Unused financing facilities available at quarter end		8,000																																																																																					
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.																																																																																							
<table><tr><th>7.6 Loan Drawn Facilities</th><th>000's</th><th>Average Interest Rate</th><th>Latest Maturity Date</th><th>Secured/ Unsecured</th></tr><tr><td colspan="5">Recourse Debtor Finance Facilities</td></tr><tr><td>HSBC</td><td>12,812</td><td>6.57%</td><td>rolling 6 months</td><td>Secured</td></tr><tr><td colspan="5">Convertible Notes</td></tr><tr><td>Various¹</td><td>331,687</td><td>8.50%</td><td>27-May-27</td><td>Secured</td></tr><tr><td colspan="5">Revolver Finance Facilities</td></tr><tr><td>HSBC & NAB</td><td>28,000</td><td>7.14%</td><td>27-May-24</td><td>Secured</td></tr><tr><td colspan="5">Finance Leases</td></tr><tr><td>NAB</td><td>52,711</td><td>4.66%</td><td>Feb-27</td><td>Secured</td></tr><tr><td>Tetra Pak</td><td>9,401</td><td>4.50%</td><td>Jan-27</td><td>Secured</td></tr><tr><td>Energy Ease</td><td>4,230</td><td>6.52%</td><td>Mar-27</td><td>Secured</td></tr><tr><td>Dankse Bank</td><td>474</td><td>4.18%</td><td>Feb-24</td><td>Secured</td></tr><tr><td>Bank of Queensland</td><td>155</td><td>4.09%</td><td>Oct-26</td><td>Secured</td></tr><tr><td>ChemClean</td><td>1,619</td><td>5.37%</td><td>Jul-25</td><td>Secured</td></tr><tr><td>Toyota</td><td>610</td><td>3.25%</td><td>Jun-25</td><td>Secured</td></tr><tr><td>Other</td><td>31</td><td>4.20%</td><td>Feb-24</td><td>Secured</td></tr><tr><td colspan="2">441,730</td><td colspan="3"></td></tr></table>				7.6 Loan Drawn Facilities	000's	Average Interest Rate	Latest Maturity Date	Secured/ Unsecured	Recourse Debtor Finance Facilities					HSBC	12,812	6.57%	rolling 6 months	Secured	Convertible Notes					Various ¹	331,687	8.50%	27-May-27	Secured	Revolver Finance Facilities					HSBC & NAB	28,000	7.14%	27-May-24	Secured	Finance Leases					NAB	52,711	4.66%	Feb-27	Secured	Tetra Pak	9,401	4.50%	Jan-27	Secured	Energy Ease	4,230	6.52%	Mar-27	Secured	Dankse Bank	474	4.18%	Feb-24	Secured	Bank of Queensland	155	4.09%	Oct-26	Secured	ChemClean	1,619	5.37%	Jul-25	Secured	Toyota	610	3.25%	Jun-25	Secured	Other	31	4.20%	Feb-24	Secured	441,730				
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¹ The carrying amount of the convertible notes recorded on 30 June 2022 statutory accounts in accordance with the accounting standards is \$253.1m. The above-mentioned loan facilities amount contains principal of \$292.0m and capitalised interest (Paid in Kind) of the convertible notes at 31 Dec 2022 of \$39.7m.																																																																																								
The Group's primary bank facilities are with HSBC Bank Australia Limited (HSBC) and National Australia Bank (NAB). They include an undrawn \$8m syndicated facility, equipment financing facilities (NAB) and debtor financing facilities (HSBC). The Group also has other bi-lateral equipment finance facilities from a number of financiers and other general transactional banking facilities.																																																																																								

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	13,916
8.2	Cash and cash equivalents at quarter end (item 4.6)	24,057
8.3	Unused finance facilities available at quarter end (item 7.5)	8,000
8.4	Total available funding (item 8.2 + item 8.3)	32,057
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<p><i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i></p>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: 

The Board of Directors