

Noumi Limited

2023 Results

29 August 2023



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Non-IFRS information

Operating Profit, Statutory EBIT and Statutory EBITDA are unaudited, non-IFRS financial information.

Agenda



2023 OVERVIEW

01



COMPANY EVOLUTION

02



FINANCIAL PERFORMANCE

03



STRATEGY

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FY23 Overview

Strong FY23 revenue and earnings growth

MILKLAB



- ◆ Reset, Transform, Grow strategy delivers across the board performance improvements. Adjusted operating EBITDA of \$30.4m up 315% on FY22
- ◆ Plant-based Milks delivers record adjusted operating EBITDA of \$37.4m up 12.0%
- ◆ Market leading Milklab brand continues strong domestic and export growth, up 11.1%
- ◆ Dairy and Nutritionals positive \$3.8m adjusted operating EBITDA in H2 - near breakeven for the full FY23 year - compared to \$20.6m loss in FY22
- ◆ Farmgate milk prices impact dairy export competitiveness. Export volumes reduced to protect margin
- ◆ Operating Cash Flow after US litigation settlement costs, other litigation costs and net finance costs \$4.3m

FY23 Highlights

\$30.4m

Adj Op
EBITDA^{1,2,3}

⬆️ \$23.1m

(\$0.5m)

Dairy & Nutritionals
Adj Op EBITDA

⬆️ \$20.1m

\$37.4m

Plant-based Milks
Adj Op EBITDA

⬆️ \$4m

\$551.6m

Net
Revenue

⬆️ \$29.3m

\$389.2m

Dairy & Nutritionals
Revenue

⬆️ \$30.9m

\$162.4m

Plant-based Milks
Revenue

✔️ \$1.6m

(\$46.9m)

Statutory net loss after tax

⬆️ \$114.2m

¹ Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange loss), pre AASB 16

² Group adjusted operating EBITDA includes Unallocated Shared Services costs of \$6.6m

³ All figures are in millions of US dollars unless otherwise stated. Group Adj Op EBITDA is presented in US dollars. © 2024

Company's Transformation and Evolution



2023 puts Noumi firmly in the Transform phase



HY22

RESET

The financial, structural, operational and cultural **Reset** of the Company was substantially completed in FY22



HY22-23

TRANSFORM

Actions to **Transform** the Company continue, with operational improvements across the business already driving improved sales, earnings performance and with our new values incorporated into all work practices



FY23-25

GROW

Those improvements provide the springboard to **Grow** the business through three pillars: Products, Channels and Geographies

2023 Executing against the strategy

- ◆ **Reset Achievements** – completion of sale of non-core shareholding in AFMH and other corporate legacy issues progressing in line with usual timetable
- ◆ **Transformation progress** – Dairy and Nutritionals turnaround to \$3.8m of adjusted operating EBITDA in H2 despite lack of Australian milk price competitiveness in export markets
- ◆ **Transformation next steps** – replace the earnings from lower export dairy volumes and focus on margin, operating efficiency and structural reform.
- ◆ Invest behind plant-based milks initiatives to set up for next sustainable **growth phase**. Milklab Oat already delivering post relaunch
- ◆ **Next phase of growth** – international expansion opportunities underway, and further domestic initiatives planned



Noumi – Key manufacturing sites



Dairy & Nutritionals Shepparton, VIC

- Noumi Nutritionals is a leading Australian manufacturer of quality long life dairy products and premium protein ingredients including PUREnWPI™ and PUREnFERRIN®.
- We source milk from ‘grass & grain’ fed cows from dairy farms across the Goulburn Valley to deliver the best dairy products from the most well-nourished cows.



Located in Shepparton (VIC), Noumi Limited is one of the region's largest employers, with Shepparton people making up the plant's 300+ workforce.

Plant-based Milks Ingleburn, NSW

- Our state-of-the-art facility in Ingleburn, New South Wales specialises in the development and manufacturing of long-life plant-based milks.
- We are experienced in the development and production of a wide range of plant-based milks that include Almond, Oat, Macadamia, Soy and Coconut Milk varieties. We also produce liquid stocks and cream.



Noumi Brands

Noumi has a broad portfolio of strong brands that meet differing consumer needs and occasions across multiple markets.



Financial Performance



FY23 Financial Performance

\$ million	FY23	FY22	Change	Change (%)
Net Revenue ¹	551.6	522.3	29.3	5.6
Adj Operating EBITDA ²	30.4	7.3	23.1	314.7
Adj Operating EBITDA margin %	5.5	1.4	-	4.1ppt
Net Loss after tax	(46.9)	(161.1)	114.2	70.9

\$ million	30 Jun 2023	30 Jun 2022	Change	Change (%)
Cash and Cash Equivalents	18.6	16.2	2.4	14.5
Financial Debt (excluding CN)	(102.4)	(104.3)	1.9	1.8
Convertible Notes	(295.5)	(253.1)	(42.4)	(16.8)
Shareholder equity	(203.5)	(149.0)	(54.5)	(36.6)
Proforma Net Equity (Con Note classed as equity not debt)	92.0	104.1	(12.1)	(11.6)



Net Revenue growth includes dairy price rises and Milklab growth offsetting deliberately discontinued plant-based products and lower dairy exports



Adjusted operating EBITDA \$30.4m – improvement across both segments and record Plant-based Milks adjusted operating EBITDA result



Adjusted operating EBITDA margins improved – Dairy and Nutritionals with price increases and Plant-based Milks by optimising sales mix



Statutory Net loss after tax includes fair value adjustment for Convertible Note interest of \$39.5m and impairment of non-financial assets of \$8.2m



Cash at bank of \$18.6m with undrawn finance facility of \$18m provides liquidity for operations based on current conditions and expectations



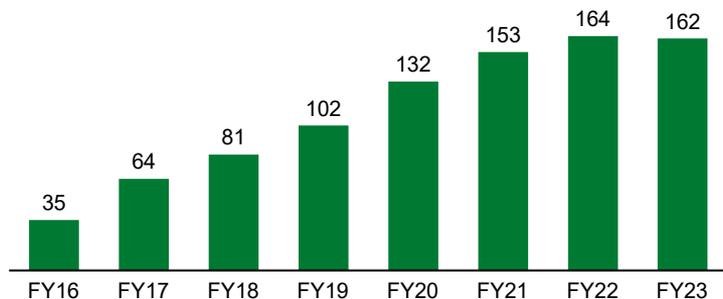
Proforma Net Equity assumes Convertible Notes all converted at 30 June 2023. Milklab brand valuation not included on balance sheet.

Financial Performance | Plant-based Milks

Financial results

(\$m)	FY23	FY22	Change	Change (%)
Net Revenue ¹	162.4	164.0	(1.6)	(1.0)
Adjusted Operating EBITDA ^{2,3}	37.4	33.4	4.0	12.0
Adjusted Operating EBITDA Margin %	23.1	20.4	-	2.7ppt

Plant-based Revenue (\$m)



Summary of performance

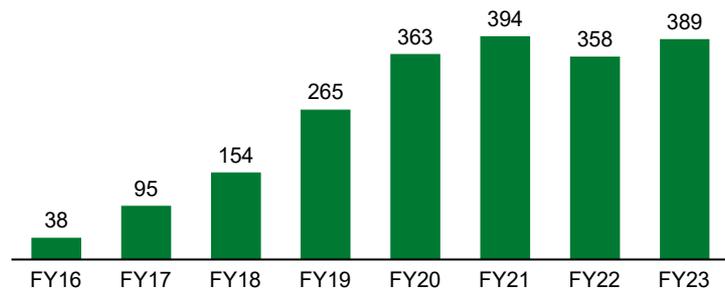
- Record earnings, with higher margin revenues largely offsetting discontinued low margin products – mix drives margin expansion
- Milklab plant-based sales up 10.3% with strong growth in Australian and international markets
- Investment in out-of-home direct sales continues to be rewarded with sales through out-of-home channel up 4.7%
- New Oat milk formulation gaining traction – sales up 89%
- Strategic expansion opportunities, both domestic and international, to be progressed in FY24

Financial Performance | Dairy and Nutritional

Financial results

(\$m)	FY23	FY22	Change	Change (%)
Net Revenue ¹	389.2	358.3	30.9	8.6
Net Revenue excl. traded milk	374.9	350.0	24.9	7.1
Adjusted Operating EBITDA ^{2,3}	(0.5)	(20.6)	20.1	97.7
Adjusted Operating EBITDA Margin %	(0.1)	(5.8)	-	5.7ppt

Dairy and Nutritional Revenue (\$m)



Summary of performance

- Positive adjusted operating EBITDA in H2 FY23 of \$3.8m. \$20.1m full year turnaround in adjusted operating EBITDA
- Higher Australian farmgate milk prices in FY23 impact export competitiveness. Revenues reflect price increases on lower overall volumes
- Revenue growth including gains in domestic long life and Lactoferrin. Export revenues declined as lower margin export sales were reduced
- FY23 margins expanded through price increases, improved operating efficiency and sales mix. Focus on higher margin revenues
- Consumer Nutritional revenue up 10.8%. Margins improved in H2 FY23

Cash Flow

	30 Jun 2023	30 Jun 2022
Cash flow from continuing operations	35.2	3.6
US litigation settlement and other litigation costs	(12.1)	(34.7)
Income tax refund	-	4.1
Net finance costs	(18.8)	(16.2)
Operating cash flow	4.3	(43.2)
Property plant and equipment	(3.9)	(6.0)
Cash flow from discontinued operations	-	4.5
Net Proceeds Sales of Assets	29.3	-
Security Deposit	(23.1)	-
Convertible note issues	-	27.0
Movement in borrowings	(1.7)	5.7
Other net financing cash flows (including AASB 16)	(2.5)	(3.5)
Net cash increase / (decrease)	2.4	(15.5)
Cash at the beginning of the financial year	16.2	31.7
Cash at the end of the financial year	18.6	16.2

Summary

- Net cash flow from operations significant turnaround in FY23
- Active working capital management to manage the impact of input cost inflation and price rises
- Litigation costs of \$12.1m
- AFMH sale proceeds received with majority pledged as security deposit to fully fund the FY22 US litigation settlement obligation
- Property plant and equipment spend carefully managed
- Cash flow includes \$1.6m of reduced borrowings for the year



Strategy

Our Growth Strategy

Develop high quality and innovative dairy and plant products to meet the different nutrition and taste needs of customers and consumers across life stages



Strategy | Plant-based Milks



Focus Areas

- ◆ Drive Milklab Oat in out-of-home market to partner with Milklab Almond
- ◆ Leveraging investment in Australian out-of-home direct field sales force to increase distribution and market presence
- ◆ Continue to refine and innovate product performance to enhance our Plant-based Milk portfolio
- ◆ Partnering with distributors in targeted International markets with growing coffee culture
- ◆ Accelerate our investment in brand presence with activation and promotion initiatives across channels

Strategy | Dairy and Nutritionals



Focus Areas

- ◆ Continued focus on margin growth through waste reduction and other operational efficiencies
- ◆ New product development, delivering benefits to consumers through product innovation
- ◆ Leverage health benefits of PUREnFERRIN® through research
- ◆ Collaborating with customers in delivering first class service and quality
- ◆ Strengthen branded Consumer Nutritionals portfolio with increased activation through e-commerce

The Healthier Tomorrow Plan

Healthier lifestyles

We aim to create products to improve consumers' and communities' nutritional and social outcomes.



Focus areas

Consumer health, nutrition and education

- We develop quality products that meet the nutritional, cultural and taste needs of our customers, across all life stages.

Community engagement and impact

- We support positive nutrition outcomes among targeted community groups.



Healthier planet

We aim to continuously improve our environmental footprint for future generations.



Healthier workplace

Our people live our values and are supported through positive work experiences.



Focus areas

Diversity and inclusion

- We celebrate diversity and it is our business objective to reflect the diversity of the communities in which we operate.

Employee development and wellbeing

- We enable our people to thrive at work through engaging work experiences.



Focus areas

Waste and Packaging

- We are minimising the waste we generate, maximising recyclable materials and encouraging recycling.

Energy and Climate

- We are reducing our carbon footprint, investing in renewable energy and supporting our growers to tackle their emissions.

Sustainable water use

- We conserve water across our business, supporting our suppliers to achieve water efficiency.

Sustainable agriculture

- We partner with our growers to protect the land that we source from and the animals in our supply chain.



Foundations of success

Safety, health & wellbeing | Ethical business & governance | Financial sustainability across value chain



Trading Outlook

The Plant-based Milks business is now firmly established in the growth phase of the strategy.

In FY24 Noumi will invest in the continued growth of its Milklab brand to expand its range and distribution both in Australia and overseas.

In Dairy and Nutritionals, the Company is closely monitoring developments in global dairy prices and the ability for the industry to recover the elevated Australian farmgate milk price.

In FY24, Noumi will continue to embed the operational benefits of the transformation program and continue to focus on margins and cost control.

The Company is positive about its progress. However, macro-economic conditions create uncertainty and volatility.

In FY24, Noumi expects to consolidate the progress it has made in the past 12 months through a continued focus on the execution of its strategy across products, channels and geographies

Appendix

Pre-AASB 16 / Significant Items Reconciliation

	Pre AASB 16	AASB 16	Post AASB 16	Significant Items	Reported
Net Revenue	551.6	-	551.6	-	551.6
Operating expenses	(521.2)	11.2	(510.0)	-	(510.0)
Significant items before EBITDA ¹	-	-	-	(1.0)	-
EBITDA	30.4	11.2	41.6	(1.0)	40.6
Significant items after EBITDA ¹	-	-	-	(47.7)	(47.7)
Depreciation – AASB 16	-	(4.4)	(4.4)	-	(4.4)
Depreciation – Other	(15.5)	-	(15.5)	-	(15.5)
EBIT	14.9	6.8	21.7	(48.7)	(27.0)
Interest – AASB 16	-	(10.0)	(10.0)	-	(10.0)
Interest – Other	(9.9)	-	(9.9)	-	(9.9)
Profit/(Loss) before tax	5.0	(3.2)	1.8	(48.7)	(46.9)
Tax	-	-	-	-	-
Net Profit/(Loss) after tax	5.0	(3.2)	1.8	(48.7)	(46.9)

¹ Includes restructuring costs, onerous contracts provision and other non-trading items.

¹ Significant items before EBITDA

Onerous contracts provision	4.4
Restructuring expenses	(4.2)
Other litigation expenses	(1.4)
Other	0.2
Total	(1.0)

¹ Significant items after EBITDA \$m

Fair value changes of convertible notes	(39.5)
Impairment of non-financial assets	(8.2)
Total	(47.7)

Profit and Loss Summary

	30 Jun 2023	30 Jun 2022
Adjusted Operating EBITDA (pre-AASB 16) from continuing operations¹	30.4	7.3
Rental expense	11.2	12.1
Significant items impacting EBITDA ²	(1.0)	(61.2)
Adjusted EBITDA (post AASB 16) from continuing operations	40.6	(41.8)
Fair value changes of convertible notes	(39.5)	9.5
Depreciation and amortisation	(19.9)	(26.3)
Net finance costs	(19.9)	(17.4)
Impairment of non-financial assets	(8.2)	(95.7)
Other	-	5.1
Net loss before tax from continuing operations	(46.9)	(166.6)
Income tax	-	5.5
Net loss after tax from continuing operations	(46.9)	(161.1)

Significant items impacting EBITDA²

	30 June 2023	30 June 2022
Onerous contracts provision	4.4	(4.7)
Restructuring expenses	(4.2)	(6.5)
US litigation settlement related expenses	-	(55.6)
Other litigation expenses	(1.4)	(1.3)
Fair value changes of assets held for sale	-	6.7
Reversal of FY20 debtor provision	-	1.1
Other	0.2	(0.9)
Total	(1.0)	(61.2)



noumi™

Imagining a healthier tomorrow