

Noumi Limited

H1 FY24 Results

27 February 2024



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Non-IFRS information

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

Agenda



H1 FY24 OVERVIEW

01



COMPANY EVOLUTION

02



FINANCIAL PERFORMANCE

03



STRATEGY

04



CLOSING REMARKS

05



H1 FY24 Overview

Improved revenue and earnings growth

MILKLAB



- ◆ Reset, Transform, Grow strategy delivers across the board performance improvements. Adjusted operating EBITDA of \$23.1m up 35.2% on H1 FY23
- ◆ Plant-based Milks delivers record adjusted operating EBITDA of \$23.1m up 6.1%
- ◆ Market leading Milklab brand continues to grow across both plant and dairy – domestic and export - up 6.8% overall
- ◆ Dairy and Nutritionals \$2.2m adjusted operating EBITDA in H1 FY24 compared to \$1.9m loss in H1 FY23
- ◆ Ongoing disparity between Australian farmgate milk price and global prices – impacts export and bulk commodity prices
- ◆ Unrestricted cash and undrawn facilities total \$26.5m as at 31 December 2023



Highlights

\$23.1m

Adj Op
EBITDA ^{1,2}

⬆️ \$6.0m

\$2.2m

Dairy & Nutritionals
Adj Op EBITDA

⬆️ \$4.1m

\$23.1m

Plant-based Milks
Adj Op EBITDA

⬆️ \$1.3m

\$296.7m

Net
Revenue

⬆️ \$16.9m

\$209.2m

Dairy & Nutritionals
Net Revenue

⬆️ \$11.2m

\$87.5m

Plant-based Milks
Net Revenue

⬆️ \$5.6m

(\$27.7m)

Statutory net loss after tax

⬇️ \$4.1m

250 ml

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). The Company is transitioning to adjusted operating EBITDA (post AASB 16) as its primary measure of operating performance (previously pre AASB-16). Accordingly, all references to adjusted operating EBITDA and the prior period comparisons are on a post AASB 16 basis.

2. Group adjusted operating EBITDA includes Unallocated Shared Service costs of \$2.2m

Company's Transformation and Evolution



Focusing on Growth into the future years



FY21-22

RESET

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



FY22-23

TRANSFORM

Actions to **Transform** the Company continue, with operational improvements across the business already driving improved sales, earnings and new values incorporated into all work practices. Plant-based Milks moves to **Grow** phase



FY23-25

GROW

Those improvements provide the springboard to **Grow** the business through three pillars: Products, Channels and Geographies. Plant-based Milks clearly established in **Grow** phase

Executing against the strategy

- ◆ **Reset progress** – Remaining reset items are the two legacy matters that are being dealt with in line with the usual timetables
- ◆ **Transformation progress** – Dairy and Nutritionals delivered an encouraging improvement in its performance, with adjusted operating EBITDA in H1 FY24 of \$2.2m
- ◆ **Transformation next steps** – Continual focus on replacing the earnings from lower export dairy volumes and focus on margin, operating efficiency and structural reform
- ◆ Invest in plant-based milks initiatives to set up for next sustainable **growth phase**. Continue to build on our market leading position in Milklab Almond
- ◆ **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 to customers in Australia and overseas.



Located in Shepparton (VIC), Noumi Limited is one of the region's largest employers providing jobs to 300+ local workers at its plant.

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 experts in the development and production of a wide range of plant-based beverages that include, but are not limited to Almond, Oat, Macadamia, Soy, Coconut and other milk varieties. We also produce liquid stocks and flavoured beverages, cream and nutritional sports food products.



Noumi Brands

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



MILKLAB

Australia's Own
EST. 1995

VITAL STRENGTH

CRANKT

UPROTEIN
UNLEASH YOU EVERY DAY

noumi.
nutritionals

Financial Performance



H1 FY24 Financial Performance

\$ million	H1 FY24	H1 FY23	Change	Change
Net Revenue	296.7	279.8	16.9	6.0%
Adj Operating EBITDA ¹	23.1	17.1	6.0	35.2%
Adj Operating EBITDA Margin %	7.8	6.1	-	1.7ppt
Net Loss After Tax	(27.7)	(23.6)	(4.1)	(17.4)%

\$ million	31 Dec 2023	30 Jun 2023	Change	Change
Cash and Cash Equivalents	8.5	18.6	(10.1)	(54.3)%
Financial Debt (excl. Convertible Notes)	(96.7)	(102.4)	5.7	5.6%
Convertible Notes	(331.8)	(295.5)	(36.3)	(12.3)%
Shareholder Equity	(235.2)	(203.5)	(31.7)	(15.6)%
Proforma Net Equity (Convertible Notes classed as equity not debt)	96.6	92.0	4.6	5.0%



Net Revenue growth includes domestic dairy contract manufacturing and Milklab growth



Adjusted operating EBITDA \$23.1m – improvement across both segments and record Plant-based Milks adjusted operating EBITDA result



Adjusted operating EBITDA margins improved – led by volume growth in domestic contract manufacturing and export product and customer mix



Statutory Net loss after tax includes fair value adjustment for Convertible Note interest of \$32.3m



Cash at bank of \$8.5m with undrawn finance facility of \$18m provides liquidity for operations based on current conditions and expectations



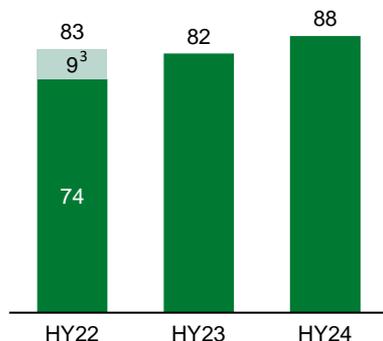
Proforma Net Equity assumes Convertible Notes all converted at 31 December 2023. Milklab brand valuation not included on balance sheet.

Financial Performance | Plant-based Milks

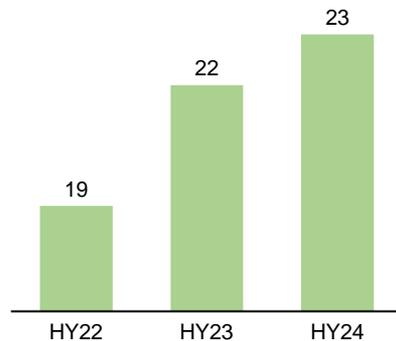
Financial results

\$ million	H1 FY24	H1 FY23	Change	Change
Net Revenue	87.5	81.9	5.6	6.9%
Adjusted Operating EBITDA ^{1,2}	23.1	21.8	1.3	6.1%
Adjusted Operating EBITDA Margin %	26.5	26.6	-	(0.1)ppt

Net Revenue (\$m)



Adjusted Operating EBITDA (\$m)



Summary of performance

- Record earnings, record revenues, strong margins
- Overall plant-based milk sales up 6.9% with both Milklab and private label growing
- Milklab continues to grow – up 4.6%
- New Oat milk formulation gaining traction – sales up 51.7%. Milklab Almond sales steady in H1
- Various strategic expansion opportunities being implemented in Australia and overseas

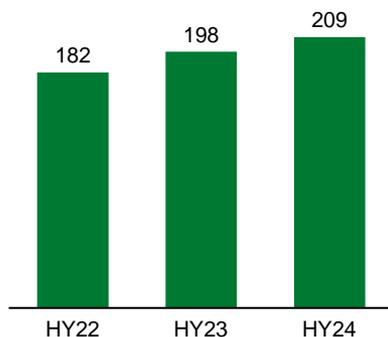
1. Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange loss). The Company is transitioning to adjusted operating EBITDA (post AASB 16) as its primary measure of operating performance (previously pre AASB-16). Accordingly, all references to adjusted operating EBITDA and the prior period comparisons are on a post AASB 16 basis.
 2. Segment H1 FY24 results are post allocation of group shared services overhead except for realised FX and Board / ASX related costs of \$2.2m
 3. Net revenue in HY22 includes \$9m of subsequently discontinued low-margin products which have now been replaced with higher-margin sales of the Company's own brands.

Financial Performance | Dairy and Nutritionals

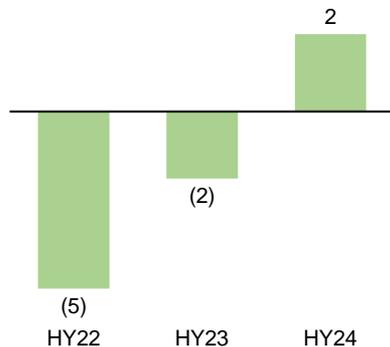
Financial results

\$ million	H1 FY24	H1 FY23	Change	Change
Net Revenue	209.2	198.0	11.2	5.7%
Net Revenue excl. traded milk	206.6	193.1	13.5	7.0%
Adjusted Operating EBITDA ^{1,2}	2.2	(1.9)	4.1	n.m.
Adjusted Operating EBITDA Margin %	1.1	(0.9)	-	2.0ppt

Net Revenue (\$m)



Adjusted Operating EBITDA (\$m)



Summary of performance

- Positive adjusted operating EBITDA in H1 FY24 of \$2.2m. \$4.1m improvement on H1FY23 adjusted operating EBITDA
- Domestic long-life milk sales up 28.1%, reflecting both volume increases and the recovery of FY24 cost increases
- Lactoferrin sales down 37% due to temporary production disruptions
- High Australian farmgate milk prices in H1 FY24 impact export competitiveness. Long-life Asia export revenue down 2.9% but with more favourable format and customer mix
- Bulk cream sales down 9.9% despite an 11.5% increase in volume, impacted by bulk commodity pricing. EBITDA impact \$4m compared to H1 FY23
- Consumer Nutritionals revenue up 10.7%. Margins improved in H1 FY24

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Cash Flow

\$ million	31 Dec 2023	31 Dec 2022
Cash flow from continuing operations	10.0	18.4
Net finance costs	(9.4)	(9.3)
Property plant and equipment	(2.2)	(2.0)
Other net financing cash flows (including AASB 16)	(1.0)	(1.3)
Restructuring related cash flows:		
<i>US litigation settlement and other litigation costs</i>	(5.1)	(8.2)
<i>Net Proceeds Sales of Assets</i>	-	29.7
<i>Security Deposit</i>	3.5	(24.8)
Subtotal (Restructuring related cash flows)	(1.6)	(3.3)
Movement in Net Debt (excl. Convertible Notes)	(4.2)	2.5
Repayment / (increase) in borrowings	5.9	(5.3)
(Decrease) / increase in cash	(10.1)	7.8
Movement in Net Debt (excl. Convertible Notes)	(4.2)	2.5

Summary

- Net cash flow from operations impacted by timing of drawdown limited recourse debtor finance facility
- Active working capital management to manage the impact of higher inflation and seasonally higher export receivables
- Property plant and equipment spend carefully managed
- Litigation costs of \$5.1m include US litigation settlement amount of \$3.4m – offset by unwind of security deposit of \$3.5m
- Cash flow includes \$5.9m of repayment of borrowings for the half year
- Cash payments on the Convertible Notes commences in H2 FY24

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

- ◆ Continue to invest in marketing to strengthen Milklab and Australia's Own brand equity
- ◆ Continue to invest in growing Milklab in its core out-of-home channel through its advantaged portfolio of plant and dairy milks
- ◆ Expand Milklab into new consumer occasions
- ◆ Accelerate expansion of Milklab in priority international markets, primarily within Asia and Middle East
- ◆ Develop innovative new plant-based beverages that meet changing consumer preferences, focusing on health and taste

Strategy | Dairy and Nutritionals



Focus Areas

- ◆ Continued focus on service and quality with improved supply chain
- ◆ Driving operational efficiencies to protect margin and reduce wastage
- ◆ Focus on delivering high specification PUREnFERRIN for high valued markets
- ◆ Strengthen the Australia's Own and Milklab dairy portfolio to drive branded business locally and internationally
- ◆ Invest in brand building, innovation and operational capability to capitalise on the fast growing sports and wellness nutrition market

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.



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

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



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



Trading Outlook

Plant-based Milks
established in **grow** phase

Invest in expanding Milklab
in Australia and overseas

Dairy and Nutritionals
shows significant
improvement – yet to
progress to the **grow** phase

Focus on domestic
execution plans and
opportunities

Monitor and adapt to global
dairy conditions

Consolidate and embed
progress to date

Execute consistently against
the strategy

Prepare for evolving
consumer preferences

Position for potentially
uncertain and volatile macro-
economic conditions and
events

Q&A



Appendices

Post-AASB 16 to Pre-AASB 16 Bridge

...transition to reporting post AASB 16

	31 December 2023			31 December 2022		
\$ million	Post AASB 16	AASB 16	Pre AASB 16	Post AASB 16	AASB 16	Pre AASB 16
Plant-based Milks						
Net Revenue	87.5	-	87.5	81.9	-	81.9
Operating expenses	(64.4)	(3.2)	(67.6)	(60.1)	(3.2)	(63.3)
EBITDA (Plant-based Milks)	23.1	(3.2)	19.9	21.8	(3.2)	18.6
Dairy and Nutritional						
Net Revenue	209.2	-	209.2	198.0	-	198.0
Operating expenses	(207.0)	(2.1)	(209.1)	(199.9)	(2.4)	(202.3)
EBITDA (Dairy and Nutritional)	2.2	(2.1)	0.1	(1.9)	(2.4)	(4.3)
Unallocated						
Operating expenses	(2.2)	(0.1)	(2.3)	(2.8)	(0.1)	(2.9)
EBITDA (Unallocated)	(2.2)	(0.1)	(2.3)	(2.8)	(0.1)	(2.9)
Consolidated						
Net Revenue	296.7	-	296.7	279.8	-	279.8
Operating expenses	(273.6)	(5.4)	(279.0)	(262.7)	(5.7)	(268.4)
EBITDA (Consolidated)	23.1	(5.4)	17.7	17.1	(5.7)	11.4

Profit and Loss Summary

\$ million	31 Dec 2023	31 Dec 2022
Adjusted operating EBITDA¹	23.1	17.1
Significant items impacting EBITDA ²	(0.1)	(0.1)
Adjusted EBITDA	23.0	17.0
Fair value changes of convertible notes	(32.3)	(20.7)
Depreciation and amortisation	(8.5)	(10.3)
Net finance costs	(9.9)	(9.9)
Net loss before tax from continuing operations	(27.7)	(23.9)
Income tax	-	0.3
Net loss after tax from continuing operations	(27.7)	(23.6)

1. Adjusted operating EBITDA excludes restructuring costs, US litigation settlement and associated costs, onerous contracts provision and other non-trading items

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

Significant items impacting EBITDA²

	31 Dec 2023	31 Dec 2022
Onerous contracts provision	-	4.0
Restructuring expenses	-	(2.5)
Other litigation expenses	-	(0.7)
Unrealised foreign exchange loss	(0.2)	(0.6)
Other	0.1	(0.3)
Total	(0.1)	(0.1)



noumiTM

Imagining a healthier tomorrow