

# Noumi Limited

## 2024 Results

27 August 2024



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

# Agenda



FY24 OVERVIEW

01



COMPANY EVOLUTION

02



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# FY24 Overview

# Strategy delivers record revenue and earnings



- ◆ Reset, Transform, Grow strategy delivers. Adjusted operating EBITDA of \$50.8m up 22.2% on FY23.
- ◆ Plant-based Milks delivers record adjusted operating EBITDA of \$49.4m up 12.3% on FY23. New channel and geography expansion initiatives launched.
- ◆ Market leading Milklab brand continues strong domestic and export growth, up 9.9% across plant and dairy
- ◆ Dairy & Nutritionals adjusted operating EBITDA of \$5.5m. Domestic Long-life sales up, offset by global headwinds.
- ◆ Farmgate milk prices impact global competitiveness, export volumes, commodity prices and Lactoferrin affected
- ◆ Operating cash flow improved from \$35.2m to \$41.6m

# Continued development in our team

- ◆ Safety improved 21% in lead safety measures with investment training and education to drive a safety culture
- ◆ Over 500 talented team members around the globe
- ◆ Increased participation in engagement survey and leadership workshops continue to develop our team
- ◆ Frontline leadership development program continued in FY24 with further initiatives planned in FY25
- ◆ Leadership changes, new CPO appointed, and transformation role introduced to accelerate execution of the strategy





## FINANCIAL HIGHLIGHTS

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\$50.8m

Adj Op EBITDA<sup>1,2,3</sup>

▲ \$9.2m

\$5.5m

Dairy & Nutritionals Adj Op EBITDA<sup>1,2</sup>

▲ \$1.4m

\$49.4m

Plant-based Milks Adj Op EBITDA<sup>1,2</sup>

▲ \$5.4m

\$589.8m

Net Revenue

▲ \$38.2m

\$412.2m

Dairy & Nutritionals Net Revenue

▲ \$23.0m

\$177.6m

Plant-based Milks Net Revenue

▲ \$15.2m

(\$98.3m)

Statutory net loss after tax

✓ \$51.4m

<sup>1</sup> Noumi is transitioning from adjusted operating EBITDA (pre AASB 16) to adjusted operating EBITDA (post AASB 16). Accordingly, EBITDA performance measures (and comparisons) referred to in this report reflect post AASB 16.

<sup>2</sup> Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange).

<sup>3</sup> Group adjusted operating EBITDA includes Unallocated Shared Services costs of \$4.1m.

MilkLab, Australia's Own, Vital Strength, Crankt, UPROTEIN, PUREnFERRIN, PUREnWPC, PUREnMCC and Noumi Nutritionals are registered ® trademarks of Noumi Limited.

# Company's Transformation and Evolution



# Strategy shifting to growth



FY22

## 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 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

# Strategy shifting to growth

- ◆ **Reset Achievements** – ASIC litigation closed
- ◆ **Transformation Achievements** – Dairy & Nutritionals  
Long-life milk profitability improves. Yield and key branded products positive YoY.
- ◆ **Transformation Challenges** – Global dairy headwinds:  
Export volumes, commodity prices and Lactoferrin impacted
- ◆ **Growth Initiatives** – Milklab launched into domestic Retail.  
Milklab Oat reformulation gaining traction.  
Plant sales up 9.4%.
- ◆ **Growth Initiatives** – Strategic distribution partnerships  
launched in five key export markets



# 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 250 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.



# Our 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 nutritional

# Financial Performance



# FY24 Earnings

\$ million	FY24	FY23	Change (\$)
<b>Net revenue</b>	<b>589.8</b>	<b>551.6</b>	<b>38.2</b>
<b>Adj operating EBITDA<sup>1, 2, 3</sup></b>	<b>50.8</b>	<b>41.6</b>	<b>9.2</b>
Non-operating items incl. restructuring & litigation	(6.4)	(1.0)	(5.4)
Depreciation & amortisation	(16.4)	(19.9)	3.5
Net finance costs (excluding Convertible Notes)	(19.7)	(19.9)	0.2
<b>Pretax earnings before fair value adjustment on Convertible Notes &amp; impairment charge</b>	<b>8.3</b>	<b>0.8</b>	<b>7.5</b>
Fair value adjustment on Convertible Notes	(59.0)	(39.5)	(19.5)
Non-cash Dairy & Nutritionals impairment charge	(47.9)	(8.2)	(39.7)
Income tax benefit	0.3	-	0.3
<b>Net loss after tax</b>	<b>(98.3)</b>	<b>(46.9)</b>	<b>(51.4)</b>



**Net revenue** up 6.9% – Milklab overall sales up 9.9%; Domestic Long-life dairy up 19.6% and plant-based export sales up 16.7%



**Adjusted operating EBITDA** \$50.8m up 22.2% – improvement in both segments – record Plant-based Milks – D&N gains consolidated



**Earnings** positive \$8.3m after non-operating costs but before fair value Convertible Note charges and non-cash Dairy impairments



**Convertible Note** fair value charges to continue through to maturity in FY27



**Non-cash impairment charge** reflects global dairy conditions

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2. Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange).
3. Group adjusted operating EBITDA includes Unallocated Shared Services costs of \$4.1m.

# FY24 Balance Sheet

Cash and Borrowings			
\$ million	FY24	FY23	Change (\$)
Cash and cash equivalents	14.6	18.6	(4.0)
Financial debt (excl. Convertible Notes)	(96.2)	(102.4)	6.2
AASB 16 Lease liabilities	(92.4)	(93.1)	0.7
Convertible Notes at fair value	(345.0)	(295.5)	(49.5)



**Cash at bank** of \$14.6m with undrawn finance facility of \$18m provides liquidity for operations based on current conditions and expectations



**Financial debt** includes revolver, debtor financing and equipment leases



**AASB16 lease liabilities** principally includes Shepparton and Ingleburn operations



**Convertible Note** fair value charges to continue through to maturity in FY27. Refer Annual Report for conversion and redemption terms



**Balance sheet** – Milklab brand value not included on balance sheet

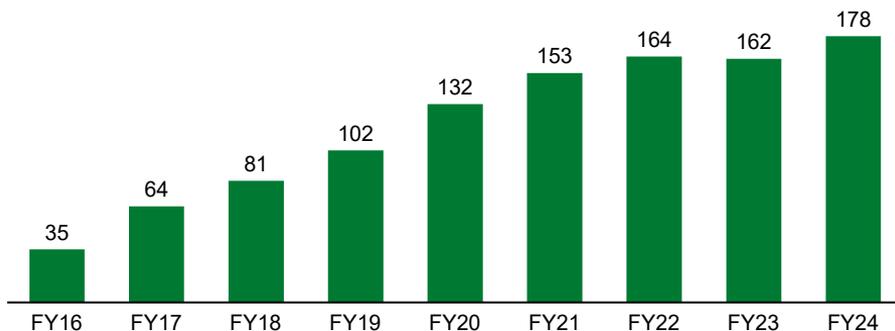
Balance Sheet			
\$ million	FY24	FY23	Change (\$)
Total Assets	316.2	378.0	(61.8)
Total Liabilities	(621.1)	(581.5)	(39.6)
Net Liabilities	(304.9)	(203.5)	(101.4)

# Financial Performance | Plant-based Milks

## Financial results

(\$m)	FY24	FY23	Change (\$)	Change (%)
Net revenue	177.6	162.4	15.2	9.4
Adjusted operating EBITDA <sup>1,2</sup>	49.4	44.0	5.4	12.3
Adjusted operating EBITDA margin %	27.8	27.1	-	0.7ppt

## Plant-based Milks revenue (\$m)



## Summary of performance

- Record revenues, record earnings and record margins with a busy year of achievement
- Milklab plant-based sales up 7.4% built on strong Out-of-home revenue base and field sales model
- Initiative to launch Milklab into domestic Retail implemented May 2024 with FY25 to enjoy full year benefit.
- New Milklab Oat formulation gaining traction – sales up 42.5% including Out-of-home distribution gains and retail launch
- Plant export sales up 16.7%. Distribution agreements for five key strategic territories now signed.

1. Noumi is transitioning from adjusted operating EBITDA (pre AASB 16) to adjusted operating EBITDA (post AASB 16). Accordingly, EBITDA performance measures (and comparisons) referred to in this report reflect post AASB 16.

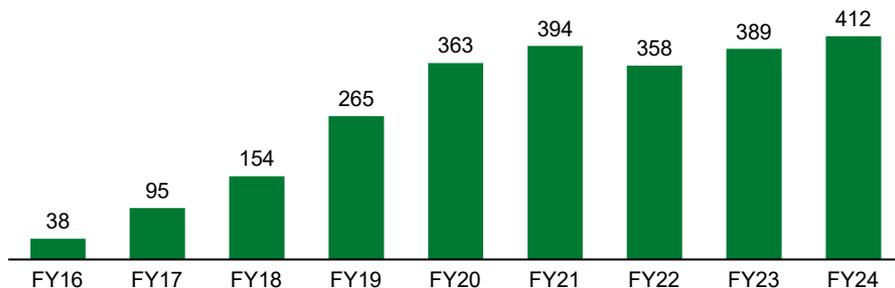
2. Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange).

# Financial Performance | Dairy & Nutritionals

## Financial results

(\$m)	FY24	FY23	Change (\$)	Change (%)
Net revenue	412.2	389.2	23.0	5.9
Net revenue excl. Traded Milk	394.9	374.9	20.0	5.4
Adjusted operating EBITDA <sup>1,2</sup>	5.5	4.1	1.4	34.6
Adjusted operating EBITDA margin %	1.3	1.1	-	0.2ppt

## Dairy & Nutritionals revenue (\$m)



## Summary of performance

- Positive adjusted operating EBITDA \$5.5m up 34.6% on FY23 despite global headwinds
- Revenue up 5.9%. Domestic Long-life milk up 19.6% including increased volume. Milklab Lactose Free up 17.4%. Lactoferrin down
- Operational improvements include wastage savings of 1 percentage point on milk spend and 12% line efficiency in manufacturing
- Global conditions and Australian farmgate milk prices impact industry export volume and commodity prices. Bulk cream down \$7.5m
- Consumer Nutritionals revenue up 9.8%. Pharmacy channel grows by more than 20%

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2. Adjusted for non-trading and non-recurring items (including restructuring costs and other litigation costs, the US litigation settlement and unrealised foreign exchange loss).

# Cash Flow

	FY24	FY23
Cash flow from operations	41.6	35.2
Net finance costs	(17.6)	(18.8)
Property plant and equipment	(5.0)	(3.9)
Other net financing cash flows (including AASB 16)	(1.8)	(2.5)
Restructuring related cash flows:		
US litigation settlement and other litigation costs	(8.2)	(12.1)
Net Proceeds Sales of Assets	-	29.3
Security Deposit	6.8	(23.1)
<b>Subtotal (Restructuring related cash flows)</b>	<b>(1.4)</b>	<b>(5.9)</b>
<b>Movement in Net Debt</b>	<b>15.8</b>	<b>4.1</b>

Repayments of convertible notes	13.4	-
Repayments of borrowings	6.4	1.7
(Decrease) / increase in cash	(4.0)	2.4
<b>Movement in Net Debt</b>	<b>15.8</b>	<b>4.1</b>

## Summary

- Net cash flow from operations improved in FY24 to \$41.6m
- Working capital management a key focus – inventory discipline, effective debtor financing, minimal bad debts and all suppliers current
- Capital expenditure spend carefully managed – \$8.9m over two years
- Litigation costs of \$8.2m include US litigation settlement amount of \$6.9m – offset by unwind of security deposit of \$6.8m
- Cash flow includes \$15.8m of repayments of borrowings including \$13.4m of cash payments on Convertible Notes

# 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 grow Milklab in Domestic Market through channel and product expansion
- ◆ Accelerate investment in marketing to strengthen brand with both Consumers and café sector
- ◆ Build Milklab distribution in key strategic markets across Asia, as coffee culture continues to grow
- ◆ Continue to bring differentiated and relevant innovation in Plant-based Milks
- ◆ Develop strong customers partnerships with key retailers and distribution partners across all markets

# Strategy | Dairy & Nutritionals



## Focus Areas

- ◆ Continue to build on customer relationships through service, quality and efficiency
- ◆ Invest in developing added value dairy innovation across core platforms of liquid milk, cream and protein
- ◆ Leverage the health benefits of PUREnFERRIN Lactoferrin to expand into new product applications and new markets
- ◆ Prepare for opportunities in international markets as demand for dairy shows early signs of recovery
- ◆ Strengthen Consumer Nutritionals portfolio with increased activation instore and with an updated range

# 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.



### 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.



## 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.

# Trading Outlook

Noumi remains cautious about the macro-economic environment and consumer spending in Australia. In addition, global dairy prices continue to create challenging conditions for Noumi's Long-life dairy milk export sales and bulk commodities, with all Australian dairy exporters at a disadvantage due to price competition from countries with lower cost of raw milk. Accordingly, Noumi is focused on controllable factors of product innovation, service, quality and operating efficiency.

The Company is positive about the progress made in the past 12 months and considers its diversified portfolio of brands and private label across the plant-based milks and dairy segments positions it to meet the macro-economic uncertainty ahead.

Noumi will continue to focus on the opportunities to grow its Plant-based Milks segment and execute on the initiatives launched in FY24. However, with macro-economic conditions creating uncertainty and volatility, and consumer preferences continuing to evolve, the Company will continue its practice of not providing financial guidance.





# Q&A

  
Imagining a healthier tomorrow

# Appendix

# Post-AASB 16 to Pre-AASB 16 Bridge

## ...transition to reporting post AASB 16

	FY24			FY23		
\$ million	Post AASB 16	AASB 16	Pre AASB 16	Post AASB 16	AASB 16	Pre AASB 16
<b>Plant-based Milks</b>						
Net revenue	177.6	-	177.6	162.4	-	162.4
Operating expenses	(128.2)	(6.7)	(134.9)	(118.4)	(6.6)	(125.0)
<b>EBITDA (Plant-based Milks)</b>	<b>49.4</b>	<b>(6.7)</b>	<b>42.7</b>	<b>44.0</b>	<b>(6.6)</b>	<b>37.4</b>
<b>Dairy &amp; Nutritionals</b>						
Net revenue	412.2	-	412.2	389.2	-	389.2
Operating expenses	(406.7)	(4.2)	(410.9)	(385.1)	(4.6)	(389.7)
<b>EBITDA (Dairy and Nutritionals)</b>	<b>5.5</b>	<b>(4.2)</b>	<b>1.3</b>	<b>4.1</b>	<b>(4.6)</b>	<b>(0.5)</b>
<b>Unallocated</b>						
Operating expenses	(4.1)	(0.0)	(4.1)	(6.5)	(0.0)	(6.5)
<b>EBITDA (Unallocated)</b>	<b>(4.1)</b>	<b>(0.0)</b>	<b>(4.1)</b>	<b>(6.5)</b>	<b>(0.0)</b>	<b>(6.5)</b>
<b>Consolidated</b>						
Net revenue	589.8	-	589.8	551.6	-	551.6
Operating expenses	(539.0)	(10.9)	(549.9)	(510.0)	(11.2)	(521.2)
<b>EBITDA (Consolidated)</b>	<b>50.8</b>	<b>(10.9)</b>	<b>39.9</b>	<b>41.6</b>	<b>(11.2)</b>	<b>30.4</b>

# Profit and Loss Summary

	FY24	FY23
<b>Adjusted operating EBITDA<sup>1</sup></b>	<b>50.8</b>	<b>41.6</b>
Non-operating items incl. restructuring & litigation <sup>2</sup>	(6.4)	(1.0)
<b>Adjusted EBITDA</b>	<b>44.4</b>	<b>40.6</b>
Depreciation and amortisation	(16.4)	(19.9)
Net finance costs	(19.7)	(19.9)
<b>Net profit before fair value changes, impairment and tax</b>	<b>8.3</b>	<b>0.8</b>
Fair value changes of Convertible Notes	(59.0)	(39.5)
Impairment of non-financial assets	(47.9)	(8.2)
<b>Net loss before tax from continuing operations</b>	<b>(98.6)</b>	<b>(46.9)</b>
Income tax	0.3	-
<b>Net loss after tax from continuing operations</b>	<b>(98.3)</b>	<b>(46.9)</b>

1. Adjusted operating EBITDA excludes discontinued operations, 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

Non-operating items incl. restructuring & litigation <sup>2</sup>		
	FY24	FY23
Onerous contracts provision	-	4.4
Restructuring expenses	(0.1)	(4.2)
ASIC penalty expenses	(5.1)	-
Other litigation expenses	(1.1)	(1.4)
Unrealised foreign exchange gain/(loss)	0.1	(0.2)
Other	(0.2)	0.4
<b>Total</b>	<b>(6.4)</b>	<b>(1.0)</b>



**noumi**<sup>TM</sup>

Imagining a healthier tomorrow