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11 February 2025

ASX Market Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

Half Year Results Investor Presentation – Half Year Ended 31 December 2024

Attached is the Breville Group Limited Investor Presentation for the half year ended 31 December 2024.

The release of this announcement was authorised by the Board.

Yours faithfully

Sasha Kitto and Craig Robinson
Joint Company Secretaries

BRG GROUP

Breville Group Limited

(ASX : BRG)

Half Year Results FY25

Investor Presentation

11th February 2025

Breville Sage LELIT BARATZA beanz ChefSteps

Disclaimer

To the extent this Presentation contains any forward-looking statements, such statements are not guarantees of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Breville, its Directors and management, and involve elements of subjective judgement and assumptions as to future events which may or may not be correct. Actual performance may differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to Breville as at the date of this Presentation. Except as required by law, including the ASX Listing Rules, Breville undertakes no obligation to provide any additional or updated information, whether as a result of new information, future events or results or otherwise.

Acknowledgement of Country

We would like to acknowledge the traditional custodians on whose land we meet today. We would like to pay respect to their Elders: past and present; and further extend that respect to all Aboriginal and Torres Strait Islanders present here today.

We celebrate the continuing contribution of their food culture, connection to, and custodianship of, this country.

Group Summary Result

Solid half with double-digit revenue growth

AUDm	1H25	1H24	% Growth
Revenue	**997.5**	905.8	**10.1%**
Gross Profit	**366.3**	332.0	**10.3%**
Gross margin (%)	**36.7%**	36.7%	
EBITDA	**177.6**	159.2	**11.5%**
EBIT	**144.8**	131.0	**10.5%**
EBIT margin (%)	**14.5%**	14.5%	
NPAT	**97.5**	84.0	**16.1%**
Basic EPS (cents)	**67.8**	58.6	**15.7%**
Dividend per share (cents)	**18.0**	16.0	**12.5%**
Franked (%)	**100%**	100%	
ROE[1] (%)	**14.7%**	14.8%	
Net (debt) / cash ($m)	**(55.1)**	(97.5)	

Commentary

- Solid 10.1% revenue growth against backdrop of resilient consumer demand
- Overall GM% held steady, growing Gross Profit by 10.3%
- Expenses aligned to Gross profit growth yielding an on-target EBIT growth of 10.5%
- NPAT growth of 16.1% with lower interest cost arising from strong FY24 cash generation
- Net Debt of $55.1m an improvement over pcp balance of $97.5m due to strong underlying cash generation
- Tactical call to pull 2H25 inventory into US early, as a hedge against potential tariffs

[1] ROE is calculated based on NPAT for the 12 months ended 31 December 2024 (1H24: 12 months ended 31 December 2023) divided by the average of shareholders' equity in December each year and 12 months earlier.

Segment Results

Solid revenue growth with stable Group Gross Margin

AUDm	Revenue			Gross Profit			Gross Margin (%)	
	1H25	1H24	% Growth	**1H25**	1H24	% Growth	**1H25**	1H24
Global Product	**877.7**	782.8	12.1%	**327.9**	298.5	9.8%	**37.4%**	38.1%
% Growth CC[1]			*13.0%*			*10.9%*		
Distribution	**119.8**	123.0	(2.6)%	**38.4**	33.5	14.7%	**32.1%**	27.2%
TOTAL	**997.5**	905.8	10.1%	**366.3**	332.0	10.3%	**36.7%**	36.7%

Minor differences may arise due to rounding

[1] CC – Constant Currency

Commentary

Global Product Segment:

- Solid double-digit sales growth of 13.0% in constant currency, continuing the momentum seen in 2H24
- Coffee delivered strong double-digit growth, Cooking high single-digit growth and Food Preparation a small single-digit decline
- New Products (NPD) delivered with the *Oracle Jet* beating expectations; New Geographies (entered during and since Covid) continued to outperform at over 36% growth
- GM% in Global segment slightly dampened by elevated shipping costs into EMEA as well as the weaker AUD

Distribution Segment:

- Healthy double-digit Gross Profit growth of 14.7% achieved

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Global Product Segment by Theatre

All Theatres in double digit revenue growth in constant currency

AUDm	GLOBAL PRODUCT SEGMENT REVENUE			
	1H25	1H24	% Growth	**% Growth CC***
Americas	**492.4**	450.3	9.4%	**10.9%**
APAC	**179.7**	155.4	15.7%	**16.3%**
EMEA	**205.6**	177.2	16.0%	**15.4%**
TOTAL	**877.7**	782.8	12.1%	**13.0%**

Minor differences may arise due to rounding

**CC – Constant Currency*

Commentary

Constant currency revenue growth of 13.0% in 1H25 with all three Theatres in double-digit growth

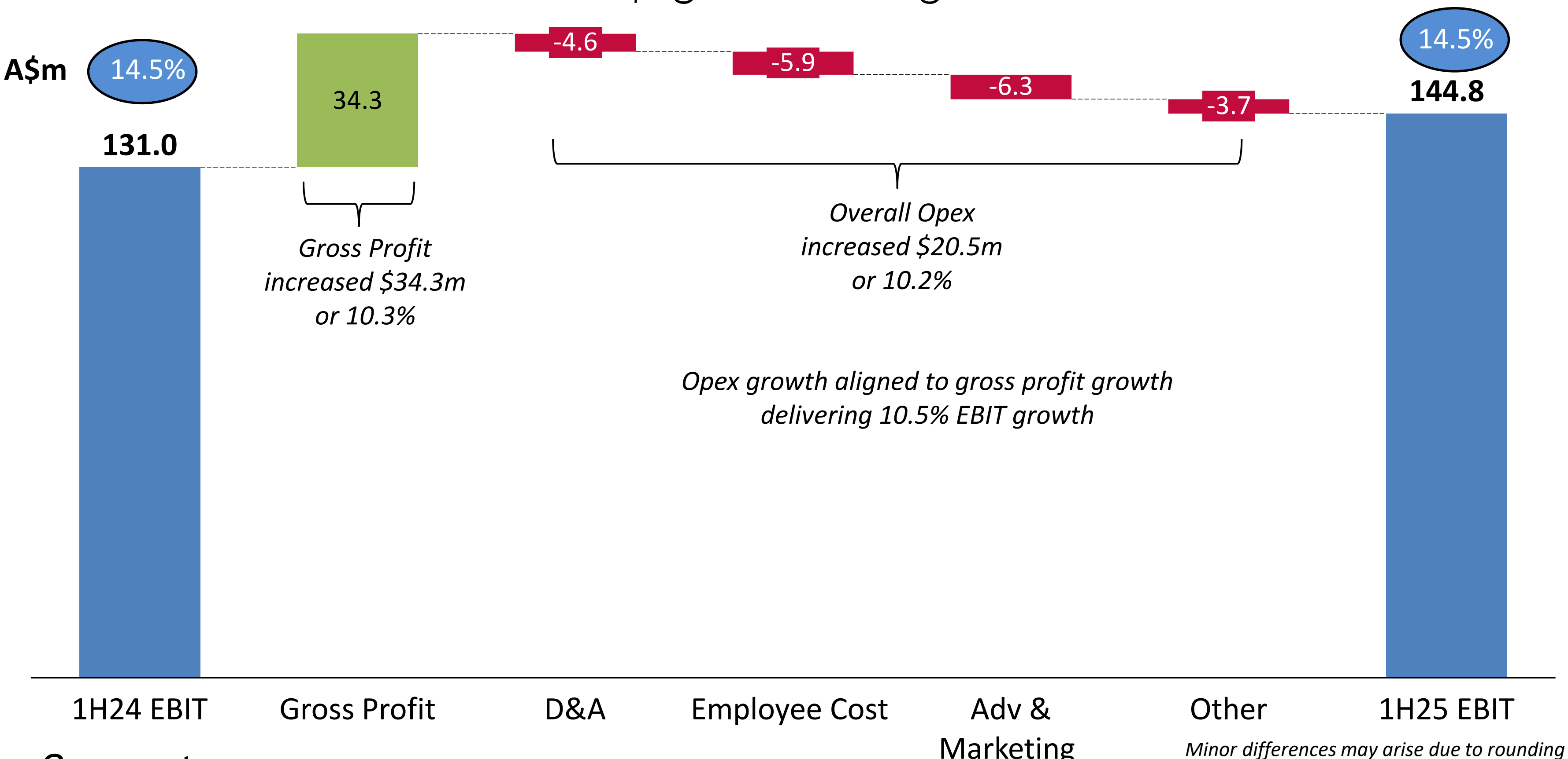
Americas: Solid growth in US, with Canada rebasing from the failure of Hudson's Bay. Coffee continued double-digit growth, Cooking rebounded to low double-digit growth, and Food Prep ran at a slight negative (though its sellout was positive)

APAC: Strong growth over a weaker prior period. All categories in growth, with Coffee in strong double-digit growth. South Korea continued to move from strength to strength, and APAC distributor markets bounced back into healthy growth as predicted

EMEA: Strong growth led by Coffee (double digit). Key retail partners continue to grow well, alongside DTC. EMEA distributors in good growth over a weaker prior period. Overall Theatre lapping the changeover from a 1P to 3P model with Amazon (temporary headwind)

EBIT Growth from 1H24 – 1H25

$13.8m or 10.5%



Minor differences may arise due to rounding

Commentary

- D&A growth flowing from increased investment in new products and solutions in recent periods
- Employee cost increase driven by salary increases and geographic expansion
- Third-party marketing and advertising spend increased 20.9% behind key 1H25 launches and initiatives
- Increase in “Other” spend includes forex losses and extra logistics costs associated with tactical inventory build in the US

Financial Position at 31 December

AUDm	Dec 24	Dec 23
Inventory	**443.4**	380.0
Receivables	**479.1**	449.8
Trade and other payables	**(371.4)**	(333.7)
Working Capital	**551.1**	496.1
PPE	**70.1**	60.8
Development costs and software	**94.8**	78.2
Goodwill & Brands	**343.5**	322.6
Other (liabilities)/ assets	**(31.6)**	(34.4)
NET ASSETS EMPLOYED	**1,027.9**	923.3
Net debt / (cash)	**55.1**	97.5
Shareholders' equity	**972.8**	825.8
CAPITAL EMPLOYED	**1,027.9**	923.3

ROE%[1]	***14.7%***	*14.8%*

[1] *ROE is calculated as NPAT for the 12 months ended 31 December 2024 (1H24: 12 months ended 31 December 2023) divided by the average of shareholders' equity in December each year and 12 months earlier.*

Commentary

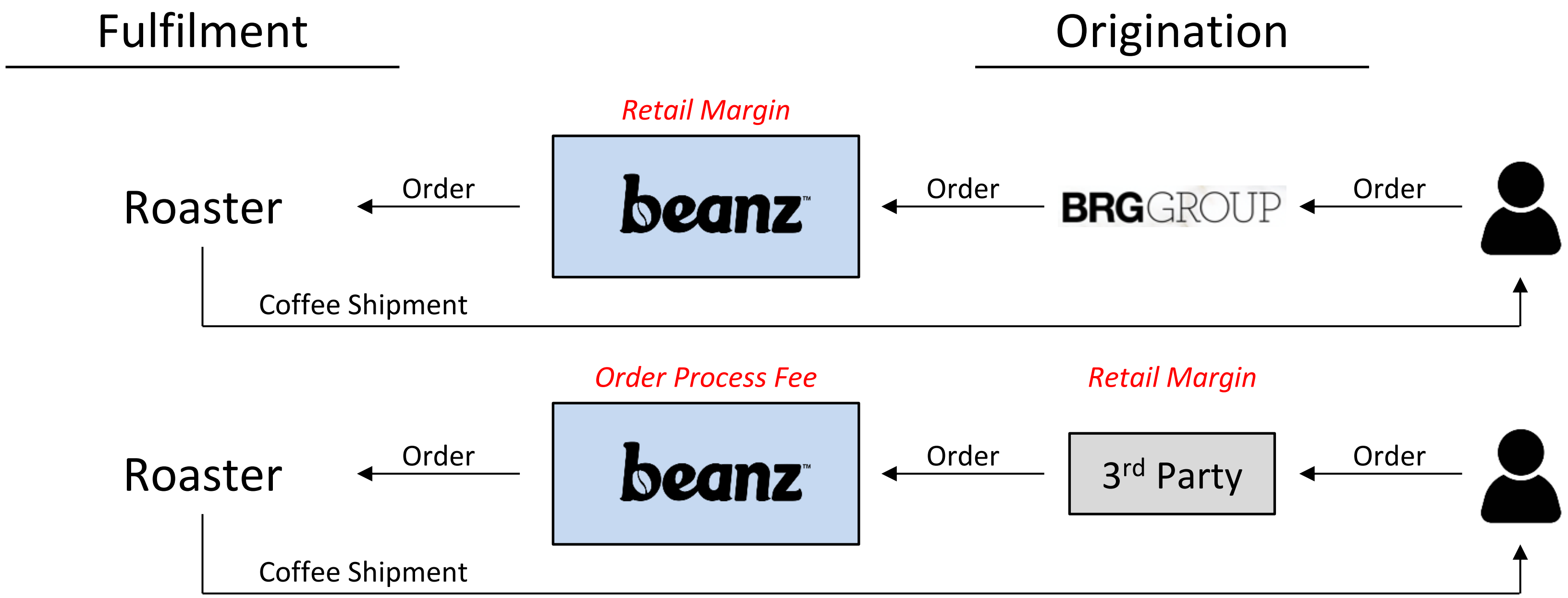
- Inventory increase of $63.4m largely driven by tactical pull forward of 2H25 US inventory as a hedge against possible US tariff increases
- Aggregate of non-US inventory balances broadly flat
- Increase in PPE reflects beginning of tooling investment in alternative manufacturing locations
- Capitalised Development Costs and Software reflects growing investment in new products and solutions
- Strong free cash flow in 12 months to December '24 led improved Net Debt position vs. prior period
- Seasonal collection of peak receivables during first few weeks of 2H25 has the Group back in a net cash position of $18.7m as of January 31st, 2025
- Debt Leverage at 0.2x EBITDA, with unused debt facilities of $152.4m and cash of $121.6m, providing flexibility for further expansion

Key Points 1HFY25

- Solid 10.1% sales growth against backdrop of resilient consumer demand
- 13.0% Global Product segment sales growth in constant currency
- All three Theatres in double-digit sales growth (Global Segment constant currency), led by strong Coffee growth across all Theatres
- Gross Margin % held steady with 10.3% Gross Profit dollar growth
- EBIT growth of 10.5% with expenses growth aligned to Gross Profit growth
- NPAT growth of 16.1% with lower interest cost arising from strong PY cash generation
- Tactical pull forward of 2H25 inventory in the US as a hedge against tariff risk. Aggregate of other countries’ inventory held broadly flat
- Low leverage and strong cashflow provides funding flexibility for further expansion and investment

- Beanz Service Update
- Geographic Expansion
- New Products
- 2H25 Considerations & Outlook

How Does It Work?



- Service aggregates and curates roasters and coffees
- Processes coffee orders, tracks delivery and roaster SLA performance, and clears financial flows across the order chain
- Beanz makes a retailer margin when BRG Group is the order originator and makes a processing fee when a 3rd Party originates
- Beanz never takes physical possession of the coffee (100% dropship by roaster)

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Beanz Snapshot

We have shipped over **1,300,000** bags of coffee

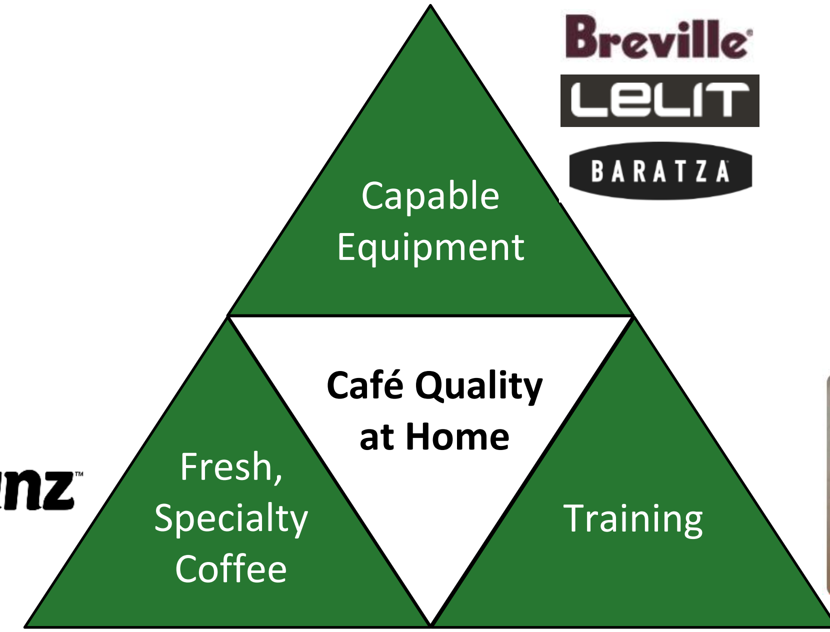
We have served over **145,000** customers

We have partnered with over **100** of the world's best roasters across **4** countries

1H25 / 1H24
Unit growth rate (kg)
71%

Amount spent marketing the Beanz Service = **$0**

Beanz Fundamental Solution Component



- Put bad, stale coffee (grocery store) in a capable machine, you get a bad outcome
- Beanz is a fundamental solution component that enables our customers to make café quality coffee at home

The first step for café quality coffee at home is using the same coffee they use in the café

Beanz First “Global” Coffee Service

- While individual countries have coffee marketplaces, Beanz is the first “global” service, executed locally
- As with other BRG infrastructure, Beanz is a single platform, running in multiple countries
- Beanz is currently live in the US, the UK, Germany, and Australia

Beanz Underpins "Telco Business Model"

Australia

United States

United Kingdom

Germany

Much like carriers bundle mobile service with a new phone, BRG now bundles speciality coffee with any new espresso machine across retail. This results in a differentiated offer, enabling customers to make café quality coffee at home while also saving money.

Powered By Beanz

Beanz as an ecosystem platform

seattlecoffeegear

WILLIAMS SONOMA CALIFORNIA

Crate&Barrel

JOHN LEWIS & PARTNERS

AeroPress

Beanz, as an order processing platform, is unlocking the channel for specialty coffee roasters across the customer-facing landscape.

So, what is Beanz?

- An efficient, curated path for BRG customers to get fresh, specialty coffee
- The first, global coffee service
- An enabler for a new business model in coffee—an “always on” program bundling machines and coffee
- A platform for enabling retailers and other product companies to bundle coffee with equipment
- Infrastructure for the coffee vertical that removes friction for the end consumer, underpinning acceleration
- Ultimately a semi-recurring revenue stream

- Beanz Service Update
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- 2H25 Considerations & Outlook

Breville|Sage & Lelit Direct In Middle East[1]

- Went direct January 1, 2025
- Headquarters in Dubai
- Breville|Sage and Lelit direct across entire region, except for Israel (distributor)
- Baratza operating through a distributor model

- Economy Size (USD)
  - GDP: $2.1 Tn[2]
  - Population: 58.2 Mn[3]
  - Disposable Income: $1.1 Tn[4]

Source
[1] Including Saudi Arabia, UAE, Oman, Kuwait, and Qatar
[2] IMF GDP Data 2024
[3] IMF Population Data 2024
[4] Euromonitor 2024

Breville|Sage 2H25 Direct in China

- Breville|Sage will be direct in China in 2H25
- Headquartered in Shanghai, with offices in Shenzhen, and Hong Kong
- Baratza and Lelit operating through a distributor model

- Economy Size (USD)
  - GDP: $18.3 Tn[1]
  - Population: 1.4 Bn[2]
  - Disposable Income : U$11.4 Tn[3]

Source
[1] IMF GDP Data 2024
[2] IMF Population Data 2024
[3] Euromonitor 2024

FY26+ Direct Market Opportunity

	FY24 Direct Mkts[1]		Middle East[2]		China[3]		FY26+	%Δ
GDP:	$53.5 Tn		$2.1 Tn		$18.3 Tn		$73.9 Tn	38%
Population:	1.03 Bn	+	58.2 Mn	+	1.4 Bn	=	2.5 Bn	142%
Disposable Income:	$35.7 Tn		$1.1 Tn		$11.4 Tn		$48.2 Tn	35%

Building on the analysis discussed in the FY24 Macquarie Conference, entering the Middle East and China increases direct market disposable income by 35%.

Source
[1] Macquarie Bank / Macrobond as presented by BRG on 7th May 2024 at *Macquarie Investor Conference*
[2] IMF & Euro monitor
[3] IMF & Euromonitor

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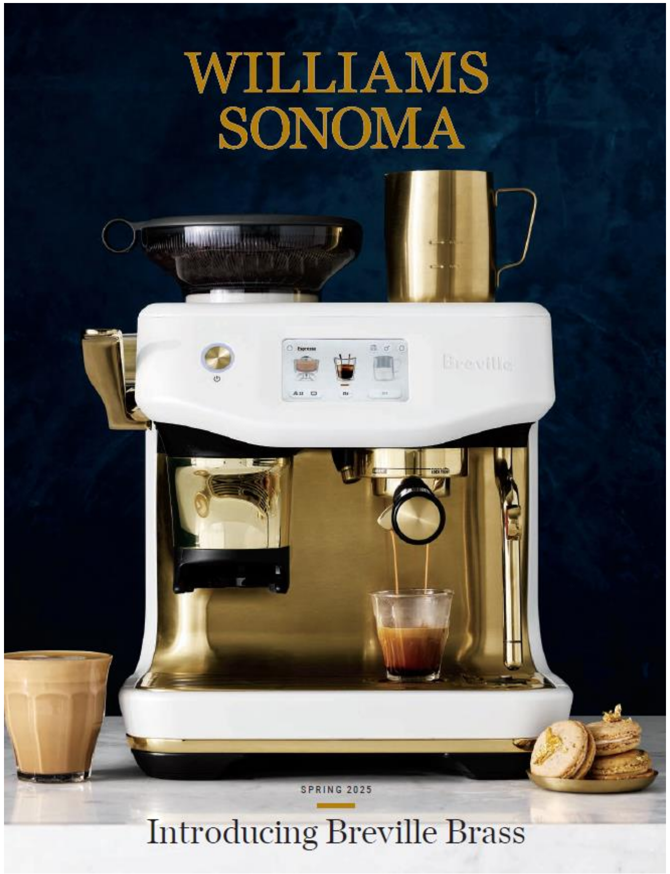
The Oracle® Jet
The Benchmark Redefined
The new standard in performance, automation & speed.
Powered by ThermoJet®

Premium Espresso Accessories

INTRODUCING

the Craft Collection™

New Metallics Range



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2H25 Considerations

- Markets stabilising (consumers and retailers)
- Retailers enter 2H25 in a good inventory position (sell-in / sell-out tracking in 1H25)
- Coffee continuing to lead, ovens performing well, and other subcategories finding their footing
- NPD delivering as expected with new launches in 2H25
- Breville|Sage will move to a direct model in China
- US Trade policy still evolving
- Project moving 120v (US products) out of China in full swing, 2H25 US bound inventory pulled forward as a tactical hedge

US/China Tariff Update

- Colombia, the EU, China, Mexico and Canada have been in the tariff conversation. What is lined up to be implemented (unless suspended) is that products imported from China into the US that were manufactured after Feb 1st, or that don't arrive before March 7th, will incur an incremental 10% tariff
- This is a tactical problem, which begets a tactical solution. Remember, in FY18/19, we managed through tariffs of up to 25%
- We do not expect this incremental 10% tariff (assuming implementation) to meaningfully impact our reported FY25 results because (i) 2H25 inventory pull forward; (ii) "goal post" model of running the company; and (iii) tactical adjustments we may make to individual SKUs
- There are 5 possible tactical adjustments at the SKU level: (i) manufacturer absorbs all or part of the increase; (ii) adjust the SKU's distribution in market; (iii) adjust promotion plan; (iv) adjust price; or (v) do nothing … and any combination of levers
- Structural solution for the China-US trading pair is to move 120v production out of China. Project on track. As of July 1, 2025, ~40% of BRG Group's purchases are exposed to this trading pair. By January 1, 2026, we expect this to drop to ~10% of purchases, then further reductions in the 2H26

FY25 Outlook

We expect FY25 EBIT growth to be in the range of 5% - 10% assuming:

- No significant change in economic conditions in the Group's major trading markets;
- No material supply chain interruptions; and,
- Taking into account our expected 2H25 investment levels into marketing, R&D and technology

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