



MEDIA RELEASE

A solid 1H FY2018 result has Bega Cheese well positioned to take advantage of growth opportunities in both the dairy and foods businesses.

Bega announced statutory EBITDA growth of 46% to \$51.7 million and profit after tax growth of 31% to \$20.6 million. The normalised performance of the business was also stronger with an EBITDA growth of 65% to \$70.1 million and profit after tax growth of 77% to \$36.6 million. Executive Chairman Barry Irvin commented “the business has performed well particularly when you take into account the significant corporate costs associated with the recent acquisitions and the highly competitive environment the business is operating in”.

Bega Cheese increased milk intake by 25% driving volume growth of 19% in cream cheese and 33% in mozzarella cheese.

Bega Cheese is very much in the transition phase of the newly created Bega Foods, it has increased investment in the newly acquired Vegemite and Zoosh brands and ensuring the success of the transition of Australia’s favourite peanut butter to Bega branded peanut butter with significant investment in branding and promotion in FY2018.

The acquisition of the Peanut Company of Australia (Australia’s largest peanut processor) was completed on 25 January 2018 and is part of the Bega goal to ensure that provenance and a close long term relationship with Australian farmers is very much a part of the Bega story as it takes its products to the market in Australia and around the world.

CEO Paul van Heerwaarden said “the long term strategy and positioning of the company’s business platform is the key to delivering consistent results even in the face of market volatility and aggressive competitor behavior. We have long held the view that we must expect the challenges and the opportunities in our business to constantly change and we should direct strategy and investment to deal with that change”.

Looking forward Executive Chairman Barry Irvin observed that the benefits of the increase in milk volumes in the first half due to a successful milk acquisition program and strong spring intake would not be repeated at the same level in the second half. The company expected continued growth in branded consumer and food service business in a highly competitive environment. The company provided guidance for FY2018 of a normalised EBITDA of \$105 to \$115 million while observing that there remained acquisition opportunities in both dairy and food in the short term.

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For further information please contact:

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