

# TASFOODS LTD

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## ASX ANNOUNCEMENT: 23 August 2018

TasFoods Limited (ASX: TFL) – Half year Results for the six months ended 30 June 2018

### Strategic growth plan beginning to gain traction

TasFoods Limited is pleased to release its half-year results for the six months ended 30 June 2018 which have demonstrated significant improvements across the board when compared to H1 2017 with 29% growth in sales revenue and a 49% improvement in earnings before interest, tax, depreciation and amortisation (EBITDA).

TasFoods Executive Chairman Shane Noble said the results reflected the implementation of a strategic growth plan to deliver improved performance across the Group in FY 2018 and create a platform for continued growth into FY 2019.

Key financial highlights include;

	H1 2018 \$'000	H1 2017 \$'000	Growth \$'000	Growth %
Sales Revenue	18,481	14,300	4,181	29%
EBITDA	(733)	(1,430)	697	49%
EBIT	(1,296)	(1,812)	516	28%
Net Loss	(1,268)	(1,833)	565	31%

“Increasing scale through revenue growth, and the relocation of processing lines have been our key focus areas in H1 2018,” Mr Noble said. “This coupled with the automation of a key production process line completed in late H2 2017 has generated strong improvement in labour efficiencies. Labour costs have increased by just 3% over H1 2017 and 1% over H2 2017 while sales revenue grew 29% over H1 2017 and 12% over H2 2017. The productivity improvements have provided us with the ability to deliver revenue growth whilst minimising additional labour, resulting in improved gross profit performance”.

“We are also half way through a capital investment of \$2.5 million at Nichols Poultry, our largest operation. This investment in a new air chiller will allow Nichols Poultry to expand production by up to 50% whilst continuing to deliver the superior quality air chilled chicken that Nichols is known for”. Mr Noble said. “To complement the additional processing capacity we are also entering into new



The **TASMANIAN FOOD CO**

contracts to expand our chicken growing network to ensure that the supply of chickens into the business keeps pace with growing demand”.

The Group maintained a strong balance sheet position as at 30 June 2018, with net assets of \$34.2 million (31 December 2017: \$31.6 million), including cash and cash equivalents of \$8.9 million (net of bank overdraft). “This positions TasFoods well to consider opportunities that will advance our strategic direction and deliver shareholder growth”, Mr Noble said.

TasFoods will continue to leverage strategic initiatives implemented in H1 2018 to deliver further improved performance in H2 2018. “Our focus will be to deliver top line growth via sales developments crystallised in H1 2018 while ensuring efficiencies in the production environment are maintained to preserve improved gross profit performance”, Mr Noble said. “Strategic activities initiated to optimise and reduce our fixed cost base will see improvements in performance in H2 2018 and will position us strongly for FY 2019”.

### **TasFoods Contacts**

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Executive Chairman

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### ***About TasFoods***

*TasFoods is a diversified food business focused on leveraging the natural attributes of Tasmania’s agricultural and food production environment to create premium food products for sale to Australian and export customers. TasFoods is a public company listed on the ASX with a mix of institutional investors, high net worth individuals and retail investors.*