



ASX ANNOUNCEMENT

Restatement of FY2019 Financial Statements

In the course of preparing its Consolidated 2020 Interim Report for the Half-Year ended 29 December 2019 (Interim Financial Statements), Bega Cheese Limited (ASX:BGA) has identified that, in its 30 June 2019 Financial Statements, it incorrectly calculated costs of sales, resulting in an understatement of trade and other payables of \$9.0 million and an overstatement of inventories of \$1.5 million at 30 June 2019.

The errors have been corrected by restating the 30 June 2019 trade and other payables and inventory balances within the Interim Financial Statements and a corresponding adjustment to retained earnings. This is referred to in note 10 to the Interim Financial Statements

There was no impact on the profit and loss for the six months to 30 December 2018. However, the restatement does affect the Statement of Comprehensive Income for the 12 month period to 30 June 2019 and retained earnings on the FY2019 Consolidated Balance Sheet.

The restated column in the following table identifies the key changes to the particulars of financial performance disclosed in the FY2019 Annual Report Key Metrics

	Normalised			Statutory		
	FY2019 (Restated) \$m	FY2019 (Previous) \$m	Change \$m	FY2019 (Restated) \$m	FY2019 (Previous) \$m	Change \$m
Revenue	1,420	1,420	-	1,420	1,420	-
EBITDA	104.9	115.4	(10.5)	79.0	89.5	(10.5)
EBIT	64.5	75.0	(10.5)	28.4	38.9	(10.5)
PAT	30.9	38.3	(7.4)	4.4	11.8	(7.4)
EPS (cents per share)	14.9	18.5	(3.6)	2.1	5.7	(3.6)

The following table identifies the key changes to the Consolidated Balance Sheet for 30 June 2019

Consolidated Balance Sheet (extracts)	FY2019 (Restated) \$m	FY2019 (Previous) \$m	Change \$m
Inventories	272.6	274.1	(1.5)
Current tax assets	9.2	6.0	3.2
Trade and other payables	274.9	265.9	9.0
Net assets	818.6	825.9	(7.4)
Retained earnings	318.2	325.6	(7.4)
Total equity	818.6	825.9	(7.4)

Importantly the company continued to meet all of its banking covenant commitments during this period.

We are currently in the process of performing a review of internal and external processes and controls surrounding the prior year restatements which were identified as part of the half-year financial close process.

Forecast Guidance

The restatement does not impact the outlook for FY2020 and the Company reaffirms the financial guidance communicated to the market in October 2019 such that normalised EBITDA is expected to be in the range of \$95 - \$105 million.

2 March 2020

For further information please contact

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