

MAGGIE BEER HOLDINGS LIMITED ANNUAL GENERAL MEETING 2020 ASX: MBH

MAGGIE
MB BEER
HOLDINGS



CEO'S PRESENTATION



FY20 – A PLATFORM FOR GROWTH



Key takeaways from FY20

Positive financial results despite challenging trading conditions – providing a great base for FY21



FY20 NET SALES

+3.8%

to \$44.5m



H2 FY20 NET SALES

+10.0%

to \$21.5m



GROSS MARGIN

+2.1 pts

to 47.5%



TRADING EBITDA
IMPROVED \$5.6M

**POSITIVE
\$248k**



COST SAVINGS
IMPLEMENTED

\$3.9m



MBP E-COMMERCE
INCREASED

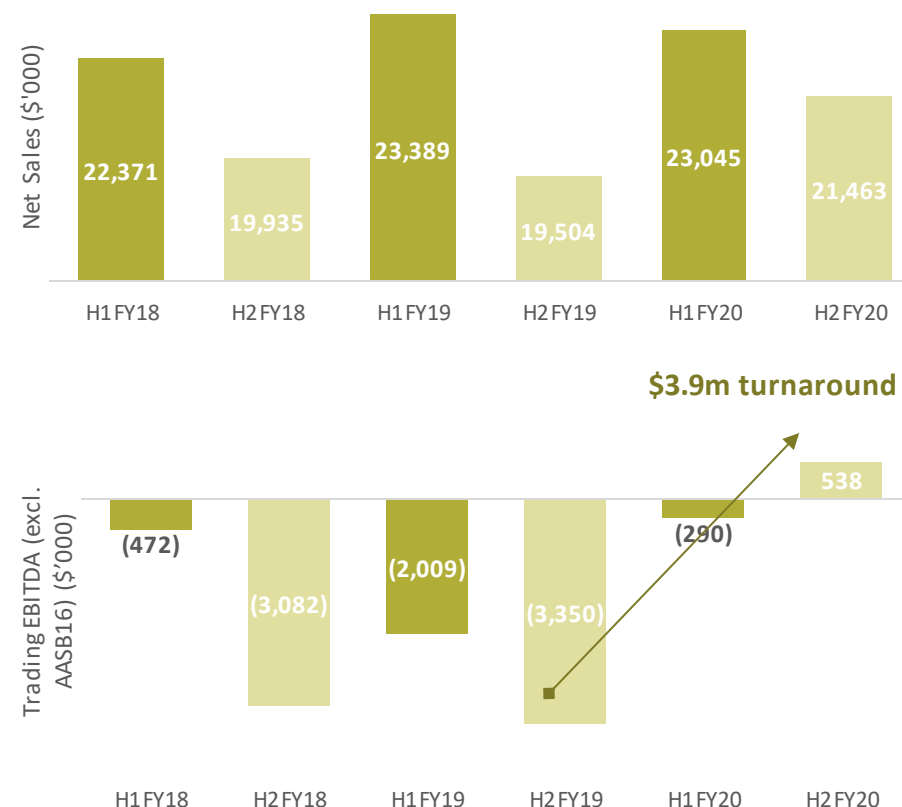
220%

Q4 FY20 on pcp

Group results FY20 vs FY19

- ✓ Strong H2 across the Group
- ✓ H2 FY20 sales **up 10%** on pcp and H2 showed **\$538k trading EBITDA** an increase of **\$3.9m on pcp**
- ✓ FY20 finished with a strong balance sheet with cash of **\$7.2m** and undrawn debtors facility **of \$3m**

(\$'000) On a full ownership basis excl. NPAT	FY20	FY19	%Change YoY
Net Sales	44,508	42,893	3.8%
Gross Profit	21,157	19,487	8.6%
Gross Profit %	47.5%	45.4%	2.1pts
Trading EBITDA (excl. AASB16)	248	(5,360)	N/A
Trading EBITDA ¹	1,011		
EBITDA (Statutory) ²	577	(8,166)	N/A
NPAT	(14,754)	(21,656)	32.1%



¹ Reflects the adoption of AASB16; a favourable impact of \$763k on FY20 Trading EBITDA

² Includes one-off costs and other income, mainly restructure costs, claim settlement windfall and government grants

Key focus areas for growth in FY21



- **Expand ranging** in Australia and export markets
- **Further develop** new & existing markets for growth (e-commerce, retail)
- Innovative **New Product Development** across the three core brands
- Implement **strategic marketing plans** to capitalise on core brand strengths and increase brand awareness
- Continue to **refine** our **manufacturing operations** to create further efficiencies and **improve gross margins**



FY21 OFF TO A STRONG START



Group shows strong growth in Q1 FY21

All three brands performing strongly



Q1 FY21 GROUP NET
SALES GREW BY

+19.2%

on Q1 FY20



GROUP TRADING
EBITDA FOR Q1
FY21 INCREASED

+ 244% or

+ \$1.6m on

Q1 FY 20



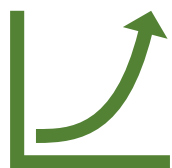
Q1 FY21 GROUP
OPERATING
CASHFLOW
IMPROVED BY

+ \$1.67m

on Q1 FY20

All business units return positive results for Q1

The businesses continue to implement their strategic plans driving growth



MAGGIE BEER
PRODUCTS Q1
FY21 NET SALES

+24%
on Q1 FY20



PARIS CREEK
FARMS Q1 FY21
NET SALES

+18%
on Q1 FY20



ST DAVID DAIRY Q1
FY21 NET SALES

+5%
on Q1 FY20



MBP E-COMMERCE
SALES IN Q1 FY21
INCREASED

+ 237%
on Q1 FY20

Q1 FY21 vs Q1 FY20 by business



- ✓ **Positive Group trading EBITDA** in Q1 FY21
- ✓ HO **costs 34% lower** in Q1 FY21 vs Q1 FY20
- ✓ Further savings will be achieved in FY21 with **HO fully relocated to SA**
- ✓ Q1 FY21 Group operating cashflow **62% or \$1.67m better** than Q1 FY20



- ✓ Net sales **grew by 24%** in Q1 FY21 on pcp
- ✓ E-commerce sales have **grown by 237%** in Q1 FY21 vs Q1 FY20
- ✓ Trading EBITDA in Q1 FY21 **118% better** than Q1 FY20
- ✓ “Cooking with Maggie” continues to screen once per week and now has **> 5.25m views on social media**

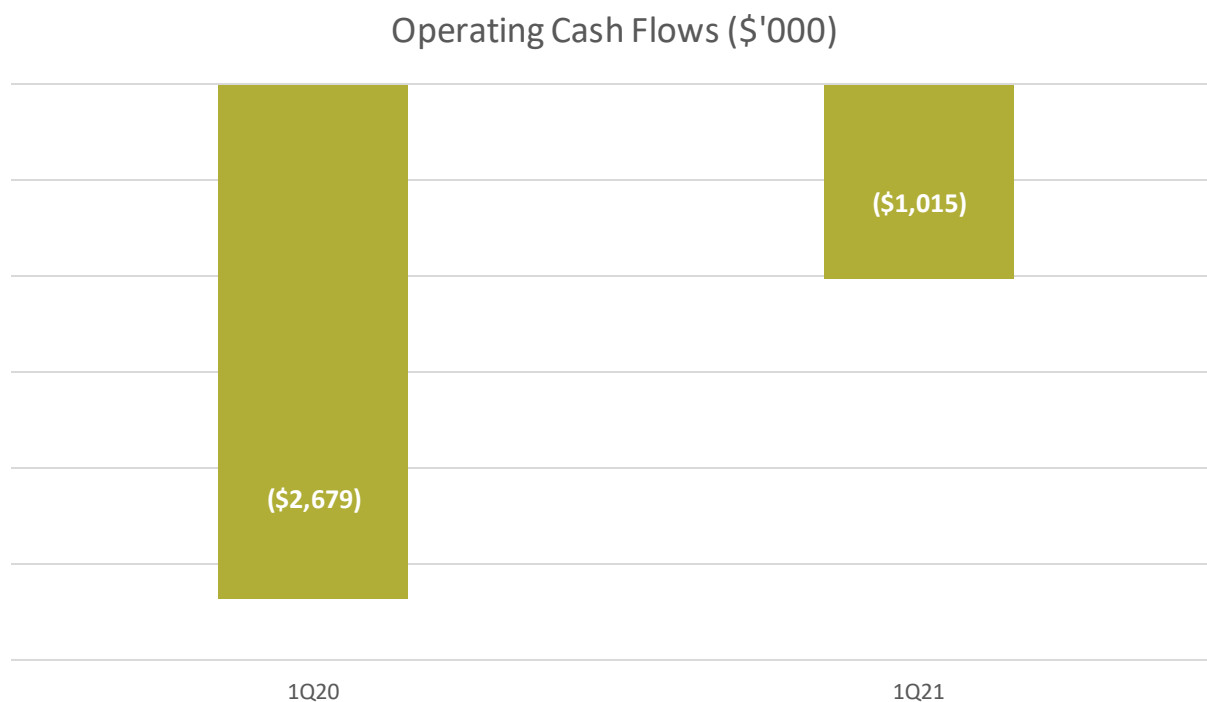


- ✓ Net sales **grew by 18%** in Q1 FY21 compared to pcp
- ✓ **Positive trading EBITDA** for Q1 FY21, **114% better** than Q1 FY20
- ✓ GM in Q1 FY21 **9.6 ppt** better than Q1 FY20
- ✓ Costs continue to be controlled



- ✓ Net sales **improved by 5%** in Q1 FY21 on pcp
- ✓ Business continues to have a **positive trading EBITDA**
- ✓ Business continues to **be cashflow positive** even through tough Covid-19 pandemic trading conditions

Strong balance sheet with Improving cashflow Q1 FY21 vs pc



- Operating cashflow for Q1 FY21 **improved by \$1.67m** compared to Q1 FY20
- **Higher sales** in Q1 will strengthen **cash balance** further in Q2 FY21

ACCELERATING GROWTH



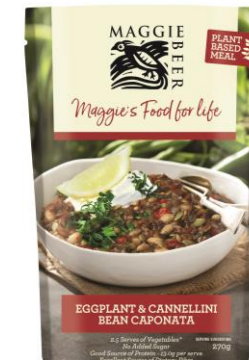
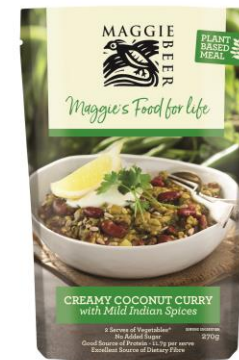
Maggie Beer Products



24% net sales growth in Q1 FY21 vs pcp



- All key lines of fruit paste, pate, stocks and cheese achieve double digit growth in Q1 FY21 with cheese **achieving 79% growth** in Q1 FY21 vs pcp
- **New e-commerce platform** launching November 20 to drive Christmas sales **with improved device functionality & payment options**
- **New Christmas hamper range** launched on 1 October 20
- Strategic partnerships formed with **Marley Spoon & Startsat60** to increase our customer base and Direct to Consumer (DTC) penetration.
- Marley Spoon customers can buy a **special edition Maggie Beer Products Cheese board pack** from late November 20 through December 20
- **Plant Based Meals launched nationally** in Coles on 12 October 20
- **New fruit paste & pate variants** launched nationally in Woolworths in October 20
- Two **new seasonal ice-cream flavours launching** in independent supermarkets nationally in November 20 to reinvigorate ice-cream range
- **New chilled delivery service** launching in Melbourne/Sydney/Brisbane and Adelaide (greater metro areas initially) in October 20 delivering **cheese entertaining packs and chilled hampers DTC**
- Further New Product Development underway **to expand ready meals & cheese range**
- In discussions with major retailers for **increased ranging opportunities**



Increasing brand awareness and sales



- To further grow brand and product awareness, we have created **four Maggie Beer Products commercials** to be launched on SBS "On Demand" w/c 18 October 20. These adverts will be shown to targeted SBS viewers from until mid-December 20 and will also be used for **targeted digital advertising and YouTube adverts**



Paris Creek Farms



Paris Creek Farms
ORGANIC DAIRY



Sales growth continues in Q1 FY21

- Sales in Q1 FY21 **grew 18%** on pcp
- **Positive trading EBITDA** achieved for Q1 FY21
- Sales driven by **increased ranging** and growth in branded product sales & private label
- Focus on **growing brand awareness** and increasing branded product sales
- **Radio advertising** campaign launched in SA in late Q1 FY21 to strengthen **brand awareness** in major retailers & independent supermarkets
- **New VIC sales rep** being appointed in Q2 FY21 to drive VIC ranging
- **New 1kg yoghurt range** being presented to key retailers and looks to launch in H2, aiming for national ranging
- Discussions progressing with **potential export partners**
- New Product Development underway to **expand core product range**, with new cheese, milk and quark formats



Strengthening the core to allow sustainable growth domestically & internationally



Paris Creek Farms milk competition is running in conjunction with the Paris Creek Farms radio campaign in SA from mid September 20 to mid December 20. it is being supported with an integrated digital and social media plan.



Saint David Dairy



Business trading solidly in Q1 FY21 under strict Covid- 19 pandemic measures



- Business continues to **trade strongly** despite the strict Covid-19 pandemic lockdown measures still being in place in Melbourne
- Business continues to be **profitable and cash flow positive** for Q1 FY21
- Increasing **retail footprint** with retail customers growing from 19% of net customer sales at the end of Q4 FY20 to 25% of net customer sales at the end of Q1 FY21.
- **Sales building** for value added, creme fraiche, butter and yoghurt
- **Customers remain loyal**, even under tough trading conditions
- Working on **New Product Development** for H2 FY21
- Discussions underway to **grow Sydney footprint**

A clear pathway to sustained growth

The Group has a clear plan to achieve **double digit growth** in net sales and earnings with three key initiatives:

Increased ranging in Australian markets from current product range:

- ✓ Significant ranging opportunities with current product range across grocery, food service and specialty retail for all three businesses.

E-Commerce & New Product Development

- ✓ Grow e-commerce sales & DTC business for Maggie Beer Products, by launching our new website, executing our digital marketing plan and better engagement with Foodclub members
- Finalising new product development and executing launch plans across all three brands to capitalise on market opportunities

Retail & Export

- ✓ Improve and potentially expand our retail footprint for Saint David Dairy
- ✓ Evaluate DTC & retail opportunities for Maggie Beer Products
- ✓ Finalise assessment of strategic partners to grow our export business for MBP and PCF

Our vision and purpose



Maggie Beer Holdings represents three **premium brands**, that all follow the principles of making **Australian** premium food and beverage products using **Australian** ingredients, that supports local farmers and their communities.

Maggie Beer Products, Paris Creek Farms and Saint David Dairy are committed to making **innovative** products that meet **consumer demand** for high quality, nutritious, convenient and indulgent, food and beverage products. These **brand strengths** are on trend and in demand.

With **increased ranging opportunities** in Australian and export markets, new product development, e-commerce and retail **growth** opportunities, we are very excited about the future of Maggie Beer Holdings and look forward to growing value and returns for our shareholders.

Thank you for your continued support and we look forward to sharing the journey with you.

THANK YOU

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