
TASFOODS LTD

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ASX Announcement: 17 December 2020

Strategic Update

TasFoods Limited (ASX:TFL) is pleased to provide an update to the market regarding the implementation of the strategic review announced by the Board in August 2020.

With the assistance of KPMG, the Board and Management have worked to develop the strategic plan to underpin the next phase of the Company's growth. The outcome of this work has led to the new strategic plan adopted by the Board in December 2020.

TasFoods Strategic Vision

We remain committed to a vision of building a portfolio of leading food and beverage brands that leverage the natural advantages of Tasmania and its reputation for fine food. To support this vision we have centred the purpose of TasFoods on bringing the essence of Tasmania to the table through:

- Our brand hierarchy that is applied to each of our poultry and dairy divisions to focus on a relevant essence of Tasmania to meet the expectations of customers of the brand;
- Our diversified customer base from specialty stores and cafes to major grocers; and
- Our substantial sourcing capabilities, production facilities and refrigerated distribution networks that enable us to deliver our products to where relevant consumers for our brands choose to shop and eat.

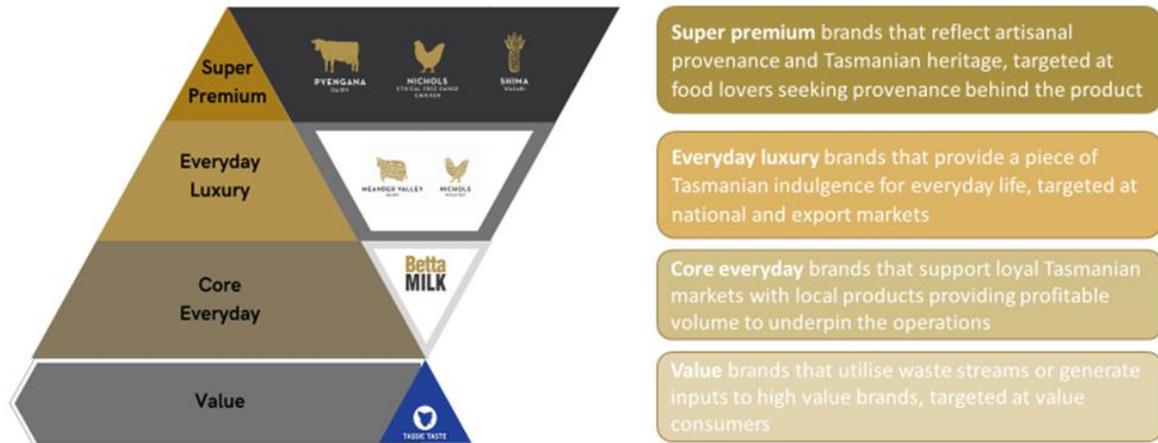


Our focus for growth in FY 2021 will be in accelerating sales growth for our Super Premium and Luxury Everyday brands. We expect to achieve this through distribution expansion into interstate markets along with compelling new product development initiatives that cater to a new way of consuming in a post-COVID environment. We will continue to seek strategic

acquisitions that meet our purpose of bringing the essence of Tasmania to the table and can enhance our growth objectives for the business.

TasFoods Brand Hierarchy

Our brands embody the pyramid of consumer needs and reflect a relevant essence of Tasmania at each level



2H FY2020 progress

We are pleased to report a strong trading performance for 2H FY2020 with overall growth in sales of +10% for the period of July to November 2020 on the prior comparable period. Green shoots of our strategic focus on new products and distribution expansion for Everyday Luxury and Super Premium brands in interstate markets are demonstrated in growth of 25% for interstate sales during July to November compared to same period in 2019. Christmas pantry stocking in December is continuing the sales growth trend.



Strong traction in online sales has continued beyond the lockdown period. We have revitalised our websites and online store which is contributing to record online sales for Christmas hampers and product offerings. Online sales between July and November 2020 are +243% on the same period 2019, with sales expected to be boosted further leading into Christmas.

Poultry sales have stabilised in 2H FY2020 with gross margins returning to pre COVID levels from August. We have commenced our strategic growth strategy for poultry through the launch of a range of new ready-to-cook products. Our focus for FY 2021 will be to continue to expand the convenience range through ready-to-cook and ready-to-eat products and to grow interstate sales through improvement to the Super Premium chicken brand offering.



We look forward to presenting the full year results in February 2021.

Authorised for ASX release by the Board of Directors of TasFoods Ltd.

TasFoods contact

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