

MAGGIE BEER HOLDINGS LIMITED

H1 FY21 RESULTS

ASX: MBH

24 FEBRUARY 2021



“The Group had a great start to the year achieving record net sales in H1 FY21, increasing 20% on the same time last year”.

Chantale Millard
CEO



Key highlights from H1 FY21

Group continues to thrive with strong net sales and trading EBITDA growth



H1 FY21 NET SALES

+19.7%

on H1 FY20



H1 FY21 OPERATING
CASHFLOW
IMPROVED BY

+ \$3.7m

on H1 FY20



TRADING EBITDA
IMPROVED \$2.1M in
H1 FY21 vs PCP TO BE

POSITIVE

\$2.2m



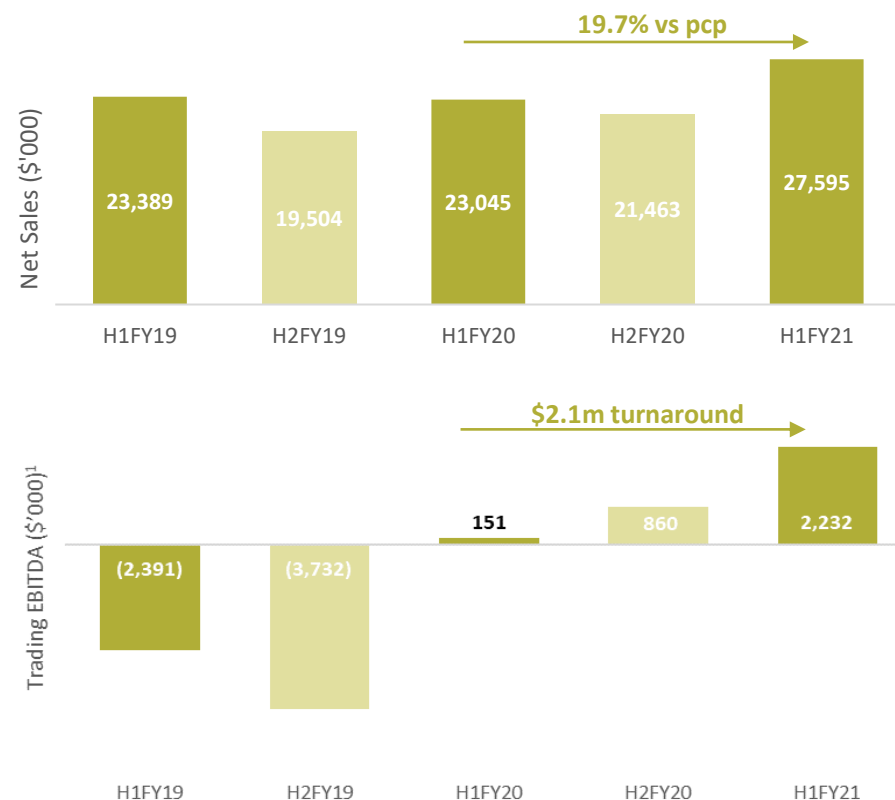
FURTHER HEAD
OFFICE COST SAVINGS
IN H1 FY21 FROM
HEAD OFFICE
RESTRUCTURE

\$0.6m

Group results H1 FY21 vs H1 FY20

- ✓ Strong net sales growth across the Group, led by Maggie Beer Products
- ✓ H1 FY21 Group net sales **up 19.7%** on H1 FY20 and returned a **\$2.2m trading EBITDA** an increase of **\$2.1m on pcp**
- ✓ H1 FY21 finished with a strong balance sheet, with cash of **\$6.3m** and undrawn debtors facility of **\$3m**

(\$'000)	H1 FY21	H1 FY20	% Change YoY
Net Sales	27,595	23,045	19.7%
Gross Profit	12,825	11,204	14.5%
Gross Profit %	46.48%	48.62%	-2.1 pts
Trading EBITDA ¹	2,232	151	1378%
EBITDA (Statutory) ²	1,337	(449)	N/A
NPAT ³	(367)	(14,303)	97%



1 Trading EBITDA includes AASB16 Leases. Retrospective adjustment made to FY19 re AASB16 to show comparability of data.

2 Includes one-off costs and other income: H1 FY21 includes Government grants COVID-19 related (-\$200k) and non-cash options issued (\$1,074k). H1 FY20 includes redundancies (\$474k) and brand redesign (\$135k).

3 H1 FY20 NPAT includes impairment expense (\$12,068k).

Group Balance Sheet

(\$'000)	Dec-20	Jun-20	Dec-19
Assets			
Cash	6,282	7,245	5,123
Trade receivables	9,606	8,022	7,937
Inventory	3,217	3,500	3,343
Right of Use Asset	3,358	3,345	2,234
PPE	16,349	17,347	18,901
Goodwill	15,388	15,388	17,082
Other intangibles	8,426	8,750	7,300
Other assets	522	429	920
Total assets	63,148	64,026	62,840
Liabilities			
Trade and other payables	6,159	6,883	5,536
Financial liabilities ¹	4,403	5,421	4,979
Other liabilities	1,190	1,123	1,328
Total liabilities	11,752	13,427	11,843
Net Assets	51,396	50,599	50,997

- Strong balance sheet position
- Well funded with strong cash position of \$6.3m & \$3m in an undrawn invoice finance facility
- Early repayment of \$400k loan from Maggie & Colin Beer, due to cash position
- Cash balance expected to improve further in Q3 FY21, from collections from strong Q2 FY21 sales
- Working capital reduced from 15% of annualised net sales in H1 FY20 to 13% in H1 FY21

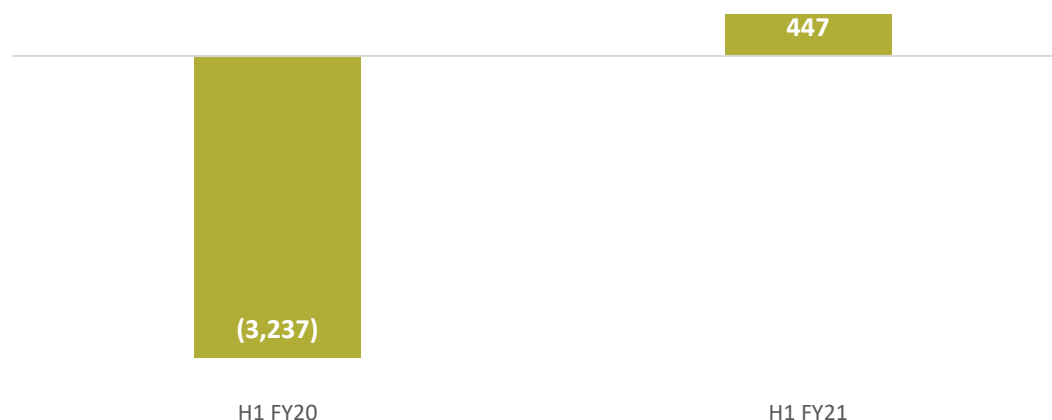
¹ Includes \$3.6m lease liabilities and \$0.8m related party loans

Group operating cashflow improves by \$3.7m in H1 FY21 vs pcp

(\$'000)	H1 FY21	H1 FY20
Receipts from customers (inclusive of GST)	26,351	21,570
Payments to suppliers and employees (inclusive of GST)	(25,913)	(24,919)
Other income received	9	112
Net cash from / (used in) operating activities	447	(3,237)
Net cash (used in) investing & financing activities	(1,410)	(1,459)
NET CASH FLOW	(963)	(4,696)

- Operating cashflow for H1 FY21 **improved by \$3.7m** compared to H1 FY20
- **Higher sales** achieved in H1 FY21 will further strengthen the **cash balance** in H2 FY21 from the collection of sales
- Includes \$400k early loan repayment to Maggie & Colin Beer

Operating Cash Flows (\$'000)



All three business units contributing to the strong growth

All business units achieved growth in net sales for H1 FY21



MAGGIE BEER
PRODUCTS NET SALES

+28.6%
on H1 FY20



PARIS CREEK
FARMS NET SALES

+11.4%
on H1 FY20



ST DAVID DAIRY
NET SALES

+5.5%
on H1 FY20



MBP E-COMMERCE
NET SALES

+ 167%
on H1 FY20

H1 FY21 vs H1 FY20 by business unit



- ✓ Net sales **grew by 28.6%** in H1 FY21 on H1 FY20
- ✓ E-commerce net sales have **grown by 167%** in H1 FY21 vs H1 FY20 to be 8% of net sales
- ✓ Trading EBITDA in H1 FY21 **47.6% better** than H1 FY20
- ✓ **19.2% trading EBITDA margin for H1 FY21** tracking well above last year (16.7%)
- ✓ **New e-commerce platform** launched in November 20 as planned
- ✓ Labour costs H1 FY21 **improved by 6%** as a % of net sales on H1 FY20



- ✓ Net sales **grew by 11.4%** in H1 FY21 compared to H1 FY20
- ✓ H1 FY21 **trading EBITDA improved by \$0.9m** on H1 FY20
- ✓ GM in H1 FY21 **5.5 ppt** better than H1 FY20
- ✓ Costs continue to be **tightly controlled**



- ✓ Net sales **improved by 5.5%** in H1 FY21 vs pcp
- ✓ Business continues to have a **positive trading EBITDA & remains operating cashflow positive** despite COVID-19 pandemic trading conditions
- ✓ **New product launches** planned for H2 FY21
- ✓ Gross Margin impacted by excess raw milk sales, **which is not expected to be recurring in FY22**

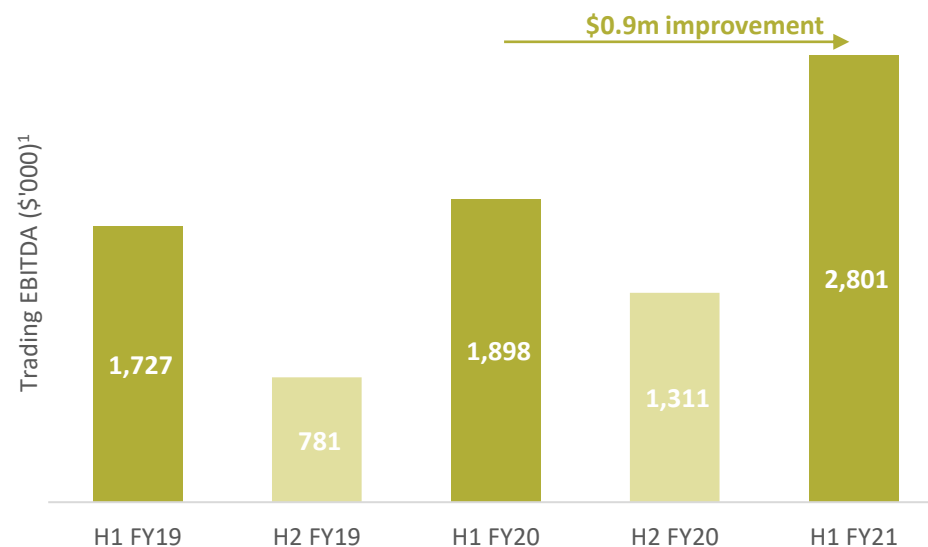
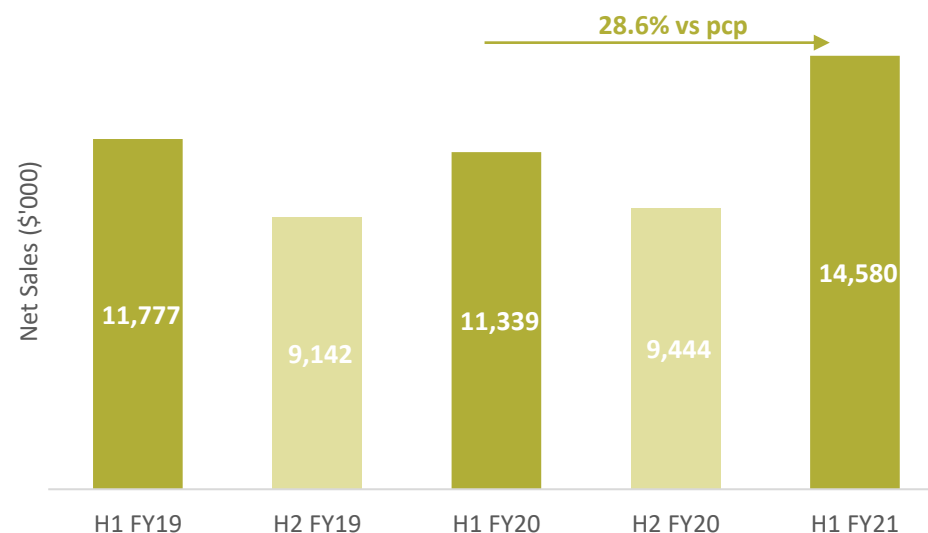
Maggie Beer Products



Trading EBITDA up 47.6% in H1 FY21

Maggie Beer Products (\$'000)	H1 FY21	H1 FY20	%Change
Net Sales	14,580	11,339	28.6%
Gross Margin	6,745	5,550	21.5%
GM %	46.3%	48.9%	-2.7 pts
Total expenses	3,944	3,653	8.0%
Trading EBITDA ¹	2,801	1,898	47.6%
EBITDA Margin	19.2%	16.7%	2.5 pts

- Net sales in H1 FY21 were **28.6% higher** than H1 FY20 at \$14.6m
- Strong focus on growing our e-commerce business with online net sales **increasing by 167%** over pcp
- **E-commerce net sales now 8% of total net sales at H1 FY21** up from 4% at H1 FY20 an improvement of 100%
- **All key lines** of fruit paste, pate, cheese and cooking stocks **achieving strong growth.**
- **Cheese and cooking stocks** were the best performing categories with increases in net sales of **76% and 44% respectively.**
- Gross Margin decrease of 2.7 pts due to larger sales of 3rd party made products. Total **expenses decreased by 5%** from 32% of net sales in H1 FY20 to 27% of net sales in H1 FY21 demonstrating good cost control and operating leverage as the business grows

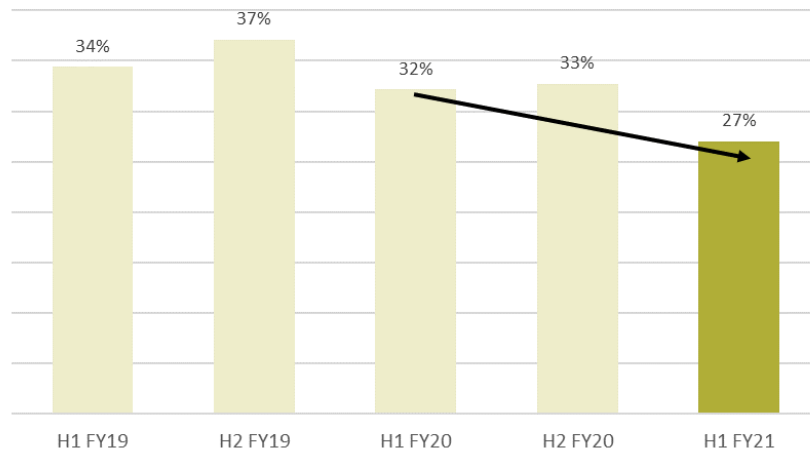


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Operating Leverage



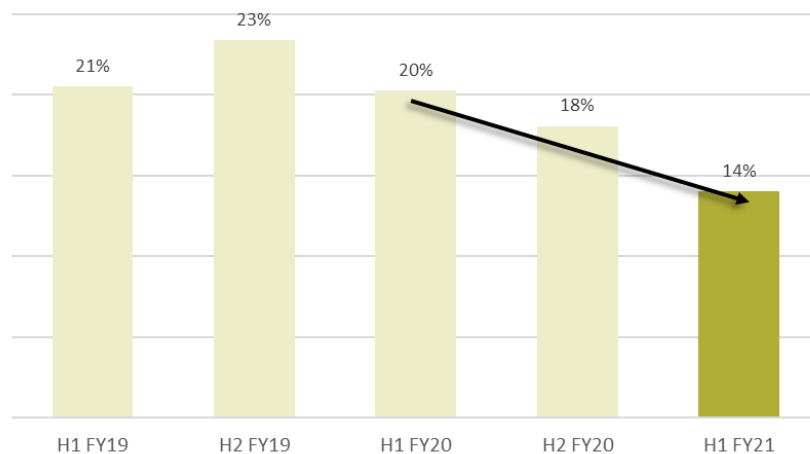
Total Expenses (% of Net Sales)



Total expenses

- As a % of net sales total expenses have decreased from 32% in H1 FY20 to 27% in H1 FY21
- Good cost control across the business

Labour Costs (% of Net Sales)



Labour

- As a % of net sales labour has decreased in H1 FY21
- Cost base allows for significant growth without corresponding increases in headcount

New business & new products driving growth



- Cheese & cooking stocks led the way with **growth of 76% and 44%** respectively in H1 FY21 compared to the pcp
- Core lines of **fruit paste & pate continued to grow at 19% and 7%** respectively vs H1 FY20
- **E-commerce net sales grew 167%** in H1 FY21 compared to pcp after the successful **launch of our new e-commerce platform in November 20** and new Christmas gifting lines
- Our new **chilled delivery service was launched in late October 20** with deliveries of cheese and entertaining packs to greater metro regions in SA, VIC, NSW and QLD. We will now look to expand on this offer
- **Launching 3 new soup SKU's in Woolworths in April 21.** This is a new category for us in Woolworths and will bolster our sales in the winter months
- **New hampers being launched** for key Mother's Day and Easter on-line trading periods
- **New product development** being created for cheese, fruit paste and pate for upcoming range reviews
- Launched **two new ice cream flavours in November 20** in independent supermarkets, which will become a **core part of our range due to strong sales.** More flavours being developed
- Relationships with **key retail partners remain strong,** with plans to **expand our national ranging of key lines** and launch further new product development



Our ever-growing cheese family



- Our cheese net sales grew by 76% in H1 FY21 vs pcp with more cheese lines being developed
- Maggie Beer Products is now a serious player in Specialty Cheese creating growth and value for retailers & consumers



E-commerce growth and future potential



- Consumers **buying habits have changed** due to COVID-19 with increased on-line purchases
- E-commerce net **sales now 8% of total net sales** compared to 4% in H1 FY20 – an increase of 100%, on an increasing sales base
- “Cooking with Maggie” series launched in April 2020, and now has almost **6m views** on social media to date
- Maggie Beer Food Club membership has **reached 60k** & the Maggie Beer Products social media platforms now have over **115k Facebook and over 300k Instagram members**
- **2.1m website visits and 5.1m page views in calendar year 2020** shows great engagement and untapped potential
- **Growing our e-commerce product offer** with premium 3rd party products
- **Relocating the pick/pack function** in Q4 FY21 to facilitate **growth & faster delivery** times to customers



Marketing plans driving brand awareness & growth



- The four SBS “on demand” commercials had an **average view through rate of 97.5%** from **319k views** in VIC & NSW throughout October-December 20 (industry benchmark 80%)
- Creating further marketing plans to **drive brand awareness** & continuing our digital marketing strategy to **grow sales & Food Club membership**



Paris Creek Farms



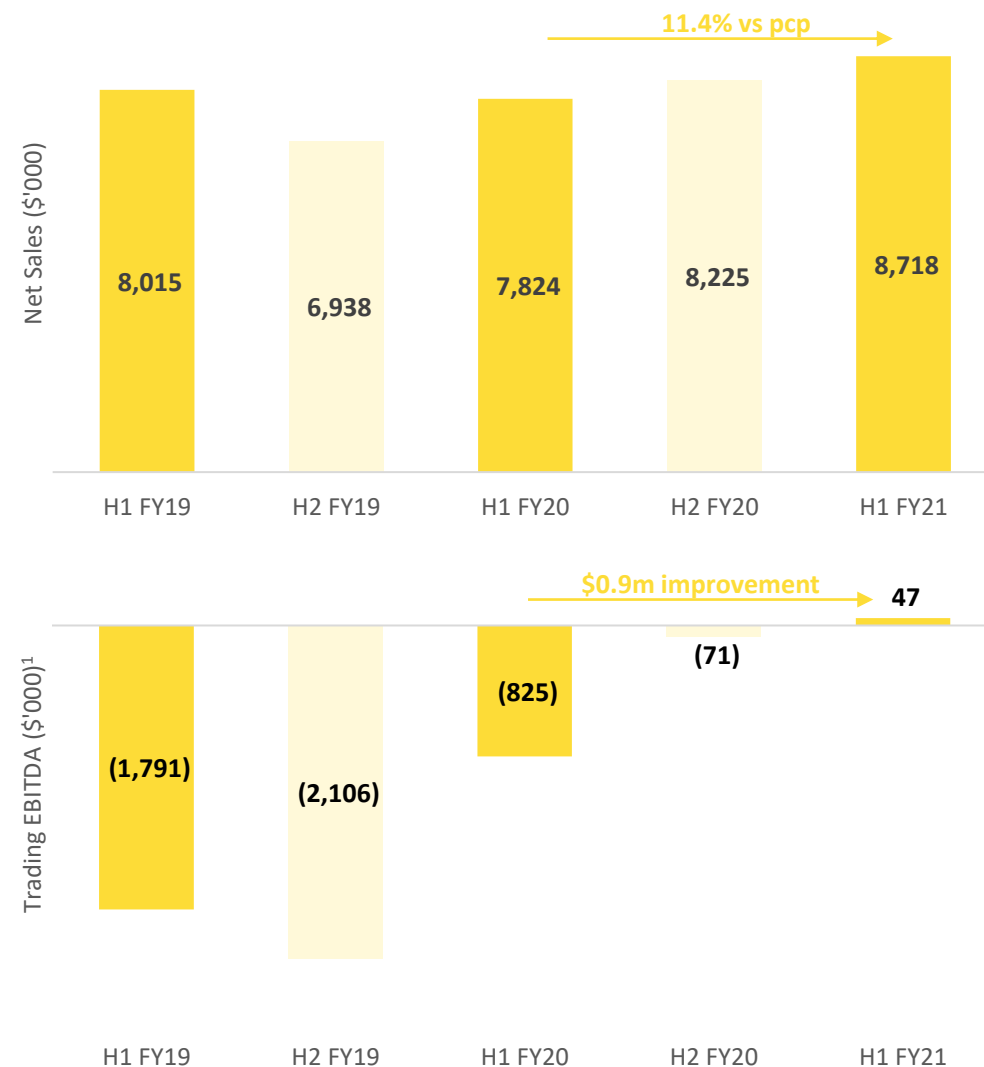
Paris Creek Farms
ORGANIC DAIRY



Trading EBITDA positive in H1 FY21

Paris Creek Farms (\$'000)	H1 FY21	H1 FY20	%Change
Net Sales	8,718	7,824	11.4%
Gross Margin	3,976	3,135	26.8%
GM %	45.6%	40.1%	5.5 pts
Total expenses	3,929	3,960	-0.8%
Trading EBITDA ¹	47	(825)	105.8%
EBITDA Margin	0.5%	-10.5%	11.1 pts

- Net sales **increased by 11.4%** in H1 FY21 vs pcp
- Positive trading EBITDA of \$47k for H1 FY21 an **increase of \$0.9m on H1 FY20**
- A big contributor to the positive trading EBITDA was a **5.5 pts improvement in gross margin** in H1 FY21 compared to pcp
- H1 FY21 performance for Paris Creek Farms reflects changes implemented in Q4 FY19 and H1 FY20 with **improving sales, a reduced cost base and an improving trading EBITDA**
- Cost base is **now stable**

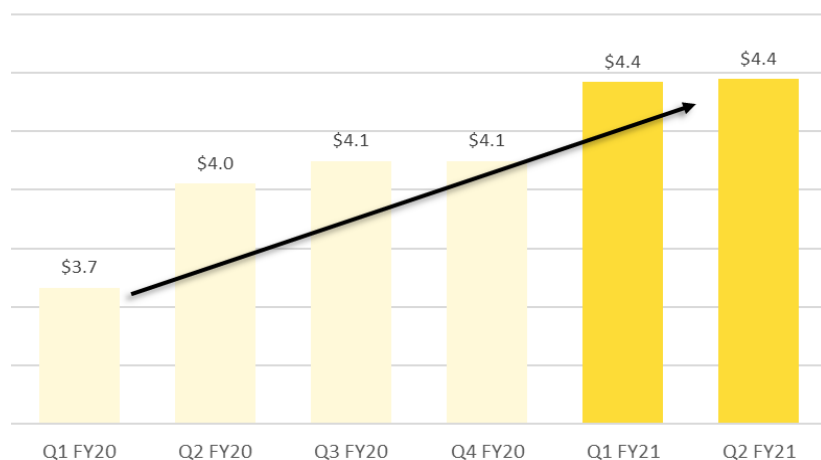


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Positive Net Sales & Labour Cost Reduction

Core Business Gross Sales (\$m)

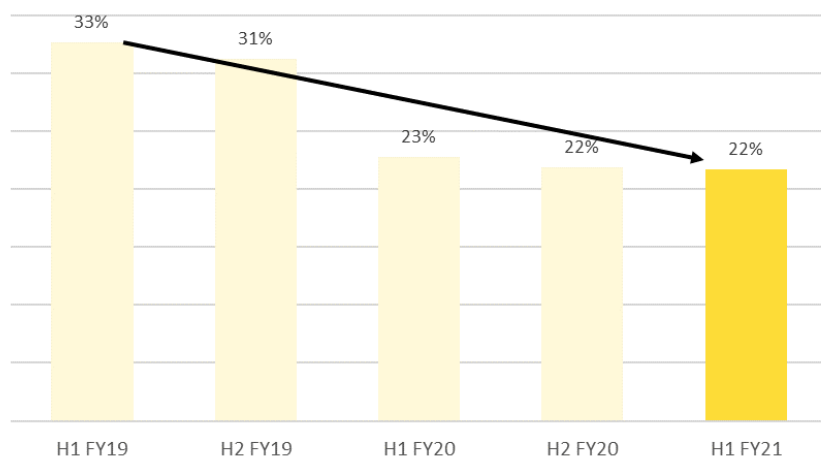


Net Sales

Core business net sales continue to gain momentum in H1 FY21

- 14% improvement on H1 FY20
- Continue to gain market share in major retailers in SA

Labour Costs (% of Net Sales)



Labour

- Labour costs have stabilised since the successful business restructure completed in FY19/FY20
- Labour costs 1pt better than H1 FY20 as a % of net sales

Sales growth continues in H1 FY21

- Sales driven by **increased ranging** and growth in branded product sales & private label
- **Radio advertising** campaign and competition in Q2 FY21 grew brand awareness in SA and now focusing on other states
- **New VIC sales rep** started in November 20 and is starting to gain new business in VIC
- **New 1kg Greek Yoghurt** launched in Costco nationally in December 2020
- **New range of 3 x 1kg Greek Yoghurts** launching in independent supermarkets in Q3 FY21
- Rebalancing of private label business will result in **higher GM in FY22**
- Relationships with **farmers remain strong**, with adequate milk supply for growth
- **Organic & Biodynamic** farming and sustainability are very on trend and our marketing plans are focusing on **sustainability**, animal and environmental welfare, together with a search for a national brand ambassador
- New Product Development underway to **expand our core product range**, with new yoghurt, cheese and value-added milk



New Greek Yoghurt range



Paris Creek Farms
ORGANIC DAIRY



Launching in independent supermarkets in SA/VIC/NSW in Q3 FY21 together with planned local ranging in Coles and WOW in FY22

St David Dairy

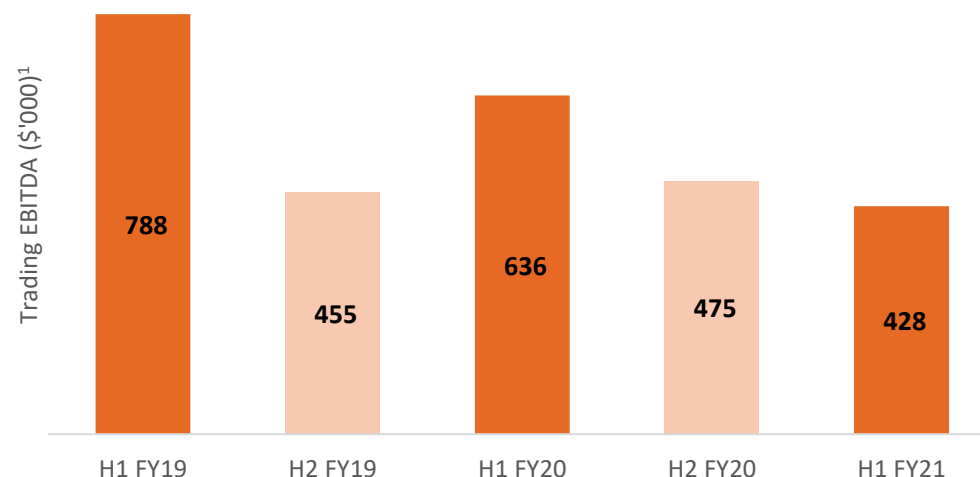
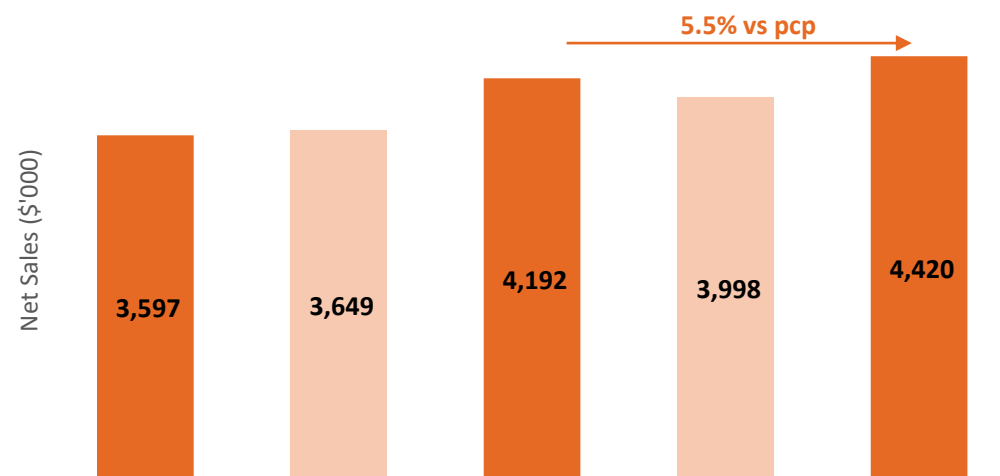


Strong brand loyalty & resilience in the face of COVID-19



Saint David Dairy (\$'000)	H1 FY21	H1 FY20	%Change
Net Sales	4,420	4,192	5.5%
Gross Margin	2,062	2,215	-6.9%
GM %	46.7%	52.8%	-6.1 pts
Total expenses	1,634	1,579	3.5%
Trading EBITDA ¹	428	636	-32.7%
EBITDA Margin	9.7%	15.2%	-5.5 pts

- **Net sales up 5.5%** despite the impact of COVID-19 restrictions in Melbourne for majority of the year
- Gross margin adversely impacted by excess milk sales **which is not expected to be a recurring cost in FY22**. Excluding excess milk sales gross margin would be circa 51%
- Our new truck fleet has **decreased our fleet running costs by 65%** in H1 FY21 compared to the pcp
- **Trading conditions** are expected to **improve in H2 FY21** as Victoria recovers from the COVID-19 pandemic, cafes & restaurants re-open and workers in Melbourne return to CBD offices



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Business continues to evolve, under tough trading conditions



- Business continues to **trade strongly** despite the strict COVID-19 pandemic lockdown measures that have been in place in Melbourne
- Business continues to be **trading EBITDA and operating cash flow positive** for H1 FY21
- The business has hired a **retailed focused sales representative** to further grow our specialty retail footprint
- **Launching two soft cheeses in Q3 FY21**, cheese made by Paris Creek Farms
- **New Yoghurt varieties** being developed for **launch in Q4 FY21**
- **New distributor started in Q3 FY21** to grow business in Mornington Peninsula and Gippsland areas

“The Group is now in a growth phase and we are excited by the prospects of the Group and its ability to deliver future growth and shareholder value”.

Chantale Millard
CEO



A clear pathway to sustained growth

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

Increased ranging & distribution points in all go-to-market channels

- ✓ Significant ranging opportunities exist within current product range across grocery, food service, specialty retail & export for all three businesses.

E-Commerce

- ✓ Grow e-commerce net sales & DTC business for Maggie Beer Products, by continuing to execute our digital marketing plan and better engagement with Food Club members
- ✓ Evaluate further DTC & retail opportunities for Maggie Beer Products

New Product Development

- ✓ Accelerating new product development and executing launch plans across all three brands to capitalise on market opportunities

Disclaimer

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Thank you

MAGGIE BEER HOLDINGS



MAGGIE BEER
FREE RANGE CHICKEN STOCK
100% NATURAL
100% AUSTRALIAN
CHICKEN & VEGETABLES
LOW IN SALT
500mL

MAGGIE BEER
NATURAL YOGHURT
WITH VANILLA BEAN
500mL

Paris Creek Farms
ORGANIC DAIRY
the ultimate
bush honey &
vanilla yogurt
ORIGINAL RECIPE
1kg

Paris Creek Farms
ORGANIC DAIRY
the ultimate
triple cream
brie
500g

Paris Creek Farms
ORGANIC DAIRY
the ultimate
triple cream
camembert
500g

MAGGIE BEER
PURE CREAM
100% NATURAL
100% AUSTRALIAN
CATTLE MILK
1L

MAGGIE BEER
TRUFFLE
TRIPLE CREAM BRIE
500g

MAGGIE BEER
CARRAMISED ONION
500g

Paris Creek Farms
ORGANIC DAIRY
the ultimate
chive
500g

MAGGIE BEER
GARLIC PASTE
500g

PLANT BASED MEAL
MAGGIE BEER
Maggie's Food for life
CREAMY COCONUT CURRY
with Mild Indian Spices
270g

MAGGIE BEER
EXTRA
VIRGIN
OLIVE OIL
500mL

Paris Creek Farms
ORGANIC DAIRY
the ultimate
fresh butter
unsalted
500g