

ASX Announcement

Maggie Beer Holdings Limited (ASX:MBH)

8 December 2022

BUSINESS UPDATE

Maggie Beer Holdings Ltd (**MBH** or the **Company**) provides the following business update:

Trading update for MBH's continuing operations of Hampers & Gifts Australia (HGA) and Maggie Beer Products (MBP):

- Net sales grew by 3.8% in November 22 vs the Covid-19 uplifted high of November 21, and achieved 22.7% growth over November 20 (on a pro-forma basis).
- MBH's e-commerce net sales increased by 3.1% in November 22 compared to November 21, and was 29% higher than November 20 (on a pro forma basis).
- MBH's retail grocery net sales continued to perform well increasing by 6.2% in November 22 compared to November 21, with key entertaining & cooking categories expected to perform well over Christmas.
- Q2 FY23 net sales to the end of November 22 are 3.3% ahead of Q2 FY22, with the key December trading period still to come.
- Key marketing campaigns that commenced in October 22 including new TVCs, high frequency radio and digital activations focussing on Black Friday, Cyber Monday and Christmas gifting are proving successful.
- HGA launched its chilled cheese and entertaining hampers in March 22 and this range has already achieved over \$1.1 million in sales YTD November 22 and grew by 105% in Q1 FY23 compared to Q4 FY22.
- With 900k active subscribers on our combined data base, our proven supply chain capability in chilled food, and our recent success in chilled cheese and entertaining hampers, the Group is now exploring additional verticals to complement our premium branded food and beverage and gifting portfolio.

CEO search:

- We have had significant interest in the search for the new MBH CEO with many high calibre candidates progressing in the selection process. We are now conducting interviews with the shortlisted candidates and are on track to make an announcement before Christmas.
- Current CEO, Chantale Millard, will continue to support the business in the role into the New Year to ensure a smooth transition to the new CEO.

Dairy Asset Divestment:

- As previously advised, MBH was well progressed with the sale of its remaining Dairy Asset, Paris Creek Farms (**PCF**), however despite receiving a highly conditional and non-binding offer that the MBH Board felt represented fair value for the asset, the bidder was unable to move to a binding sale agreement on conditions acceptable to MBH. The non-binding offer also included a cheese offtake agreement that would have provided MBH with security of supply for speciality cheese.
- As discussions with potential new purchasers of the PCF asset continue, MBH is taking the opportunity to explore various betterment initiatives at PCF that may be able to support the strong growth in the Group's cheese portfolio. Given the increasing demand for the Group's cheese products, MBH is assessing the value of retaining the PCF asset to support and protect our fast-growing cheese volumes, new product development, customer fulfilment, and to maintain our strong position in the speciality cheese category.
- Paris Creek Farms net sales November 22 YTD are 13% ahead of the same time last year.
- Paris Creek Farms is a purpose built and valuable dairy asset and MBH is being very disciplined and considered when determining the best way to extract value from the asset.
- Maggie Beer Products (**MBP**) first entered the specialty cheese category in June 2018 and the range has now grown to include 8 cheese lines and now accounts for approximately 22% of its net sales. Ranged nationally, MBP is a key player in the specialty cheese category in grocery retail, with strong retail partnerships with major supermarkets that continue to work with MPB to grow the category through innovation and new product development.

Return of Capital:

- Following approval by its shareholders at the 2022 AGM, MBH is pleased to have paid its 1c per share Return of Capital, in lieu of a dividend, to shareholders on 25 November 2022.
- The payment of this Return of Capital reflects the Board's confidence in the core business, its strong balance sheet and the cash position of the MBH Group.
- Group cash position after the Return of Capital was \$6.9m at 30 November 2022.

-Ends

Authorised for release by the Board

For enquiries please contact:

Chantale Millard, Managing Director and Chief Executive Officer +61 407 826 952

NB: All FY23 financial information contained in this announcement is based on unaudited accounts unless otherwise stated