



# FY23 H1 RESULTS



Authorised by the Board.

# FINANCIAL HIGHLIGHTS



## 1ST HALF RESULTS DELIVER SUSTAINABLE GROWTH

## EXCLUSIVE BEVERAGE AGREEMENT SIGNED

## POSITIVE CASHFLOW FROM OPERATIONS IN Q2 FY23

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- A strong 1st half with a **positive cashflow from operations** delivered in Q2 FY23 (a first since listing in April 2020) and represents a significant turnaround of \$0.714 million in one quarter. This was driven by:
  - **Reduction in total overhead costs** of \$0.8 million in H1 FY23 vs H1 FY22;
  - **Improving margins across all range.** Further improvements to be recognised in H2 FY23 from a combination of price increases, and reviewing raw material purchases;
  - **Exiting loss making sales channels and products** mainly associated with Woodbridge Smokehouse ranges; and
  - **Labour utilisation and efficiencies improving** through processing equipment commissioning.
- **Cashflow from operations improved** from a loss of \$1.795 million in H1 FY22 to a loss of \$0.700 million in H1 FY23.
- **Cashew Creamery sales up 44%** from Q2 FY22 vs Q2 FY23.
- **Continued capital investment** in capacity and automation with \$0.832 million invested in H1 FY23 vs \$1.503 million in H1 FY22.
- **Cash on hand of \$5.563 million** as of 31st December 2022 provides capital for continued investment to expand product ranging, lift manufacturing capacity, improve automation, and explore complementary new products.

# OPERATIONAL HIGHLIGHTS



- The Group's focus for the 6 months to 31 December 2022 ('1H FY23') was on margin improvement and cost control in the wake of inflationary pressures. The Group **delivered a 50% improvement in its EBITDA loss** from \$0.95 million in 1H FY22 to a loss of \$0.47 million in 1H FY23, this was despite a 15% reduction in total revenue.
- **Potato & Gravy's new 100% recyclable packaging will be ranged in Coles Supermarkets in Victoria and Tasmania in late February** with further States to roll out after successful trial. This is alongside ongoing discussions with other major retailers.

“Over the 2nd quarter, we have been successful in working with Coles to secure ranging of Potato & Gravy. This is a great opportunity to strengthen our relationship with Coles and is testament to the Potato & Gravy product.”

**Michael Cooper, Managing Director**



Potato & Gravy's new 100% recyclable packaging to be ranged in Coles Supermarkets in late February 2023.

## EXCLUSIVE AGREEMENT SIGNED WITH WILLIE SMITH



PFT has signed an exclusive distribution agreement for Willie Smith's NON-ALC Apple Cider. The agreement gives PFT sole distribution rights to service independent retail outlets, such as IGA, and other independent grocers + food service, petrol & convenience, and route trade including education & sporting venues. The agreement is for 3 years with an additional 3 year option.

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Michael Cooper, Managing Director and CEO, highlighted, "We have been looking for a beverage partner since listing in April 2020 and are very excited about this opportunity. With a deep beverage history with many PFT personnel, the agreement with this unique Tasmanian home-grown Organic Cider is a great opportunity for PFT."

"The whole business from the accounts team, team leaders and operators have all put a lot of work into reducing overheads, looking for efficiencies, and reducing wastage, whilst also continuing our focus on new product development.

**All these combined initiatives underpinned a positive cashflow from operations.** This is in line with our strategy to deliver a sustainable base business with large cash reserves, allowing PFT to continue to deliver on our growth strategy via acquisitions and organic sales."

Michael Cooper, Managing Director



As detailed in the most recent ASX Appendix 4C, the Company had \$5.563 million in cash as of 31 December 2022.

PFT, as at mid-January, also has just \$140,000 in outstanding Convertible Notes. From the original issue of \$5.30 million in October and December 2021, \$1.71 million has been converted to equity and \$3.45 million redeemed early. This capital restructure - as announced to the ASX on 14th November 2022 - has improved the visibility of PFT debt and equity structure and has also provided a more flexible balance sheet to explore further opportunities.

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This announcement has been authorised for release and approved by the Board of PFT.

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# About Pure Foods Tasmania (PFT)

Pure Foods Tasmania Pty Ltd was formed in 2015 with the aim to enhance and promote Tasmania's premium food and beverage businesses. PFT's strategy is to develop new premium products within our existing brands and in the plant-based food market, to acquire complementary brands and businesses and to increase our market penetration and distribution for our suite of brands and products globally. PFT's suite of brands and businesses include Woodbridge Smokehouse, Tasmanian Pate, Daly Potato Co, Pure Tasmanian Seafood, Lauds Plant Based Foods, The Cashew Creamery and New Pastures.

## **WEBSITE**

[www.purefoodstas.com](http://www.purefoodstas.com)