



ASX

# MBH FY23 RESULTS

28<sup>TH</sup> AUGUST 2023





# FY23 HIGHLIGHTS

- ✓ *Maggie Beer Products (MBP) category expansion and growth*
- ✓ *Hamper and Gifts Australia (HGA) market share growth*
- ✓ *Paris Creek Farms (PCF) reclassified as a continuing operation*
- ✓ *Operating cashflow positive \$6.5m and strong balance sheet maintained*
- ✓ *Investment in people and brands to fuel growth*
- ✓ *Refreshed aspiration and strategy to realise untapped potential*





# FY23 SNAPSHOT OF FINANCIAL RESULTS<sup>1</sup>

Results consistent with update at 30 May 2023

## NET SALES

**\$88.7m**

-1.4% vs. FY22

MBP ↑

HGA ↓

PCF ↑

## TRADING EBITDA<sup>2</sup>

**\$3.2m**

(\$7.3m) vs. FY22

Made up of:  
(\$2m) at GM  
(\$5.3m) in CODB<sup>3</sup>

## NPAT

**\$0.8m**

(\$1.6m) vs. FY22

## BALANCE SHEET

**\$9.2m**

In cash & no debt<sup>4</sup>

\$6.5m operating cashflow.

Strong position enables  
investment to grow

<sup>1</sup> Above results for continuing operations including restated FY22 to include PCF as a continuing operation

<sup>2</sup> Trading EBITDA is a non-IFRS measure as defined in the Directors' Report

<sup>3</sup> Cost of Doing Business

<sup>4</sup> Only asset-backed leases/debt

# FY24 KEY PRIORITIES

Leveraging our e-commerce capability across core brands

FY23 Outcomes	Inflationary pressures on CODB impacting margins/returns	Maggie Beer sales growth enabled by people and adv investment	HGA growing share in contracting “hamper” market through adv investment
5 yr Strategy Pillars	<div>1</div> OPTIMISE & UNIFY ASSETS	<div>2</div> EXPAND THE MAGGIE BEER BRAND	<div>3</div> SCALE E-COMMERCE PLATFORM
FY24 Priorities	<ul style="list-style-type: none"><li>• PCF cheese capex investment</li><li>• Deliver supply chain synergy at MBP and PCF</li><li>• Improve productivity and reduce waste across all sites</li></ul>	<ul style="list-style-type: none"><li>• Expand Retail range in Cooking, Entertaining &amp; Desserts</li><li>• Leverage e-commerce capability to expand gifting and “Good Life” range</li><li>• Implement marketing campaigns across owned and new channels</li></ul>	<ul style="list-style-type: none"><li>• Execute Christmas plan with excellence</li><li>• Continued improvement focus on customer experience and service</li><li>• Innovate through new categories and partnerships</li></ul>

ENABLERS: PEOPLE – MARKETING - TECHNOLOGY





FY23 REVIEW



# FY23 FINANCIAL YEAR RESULTS

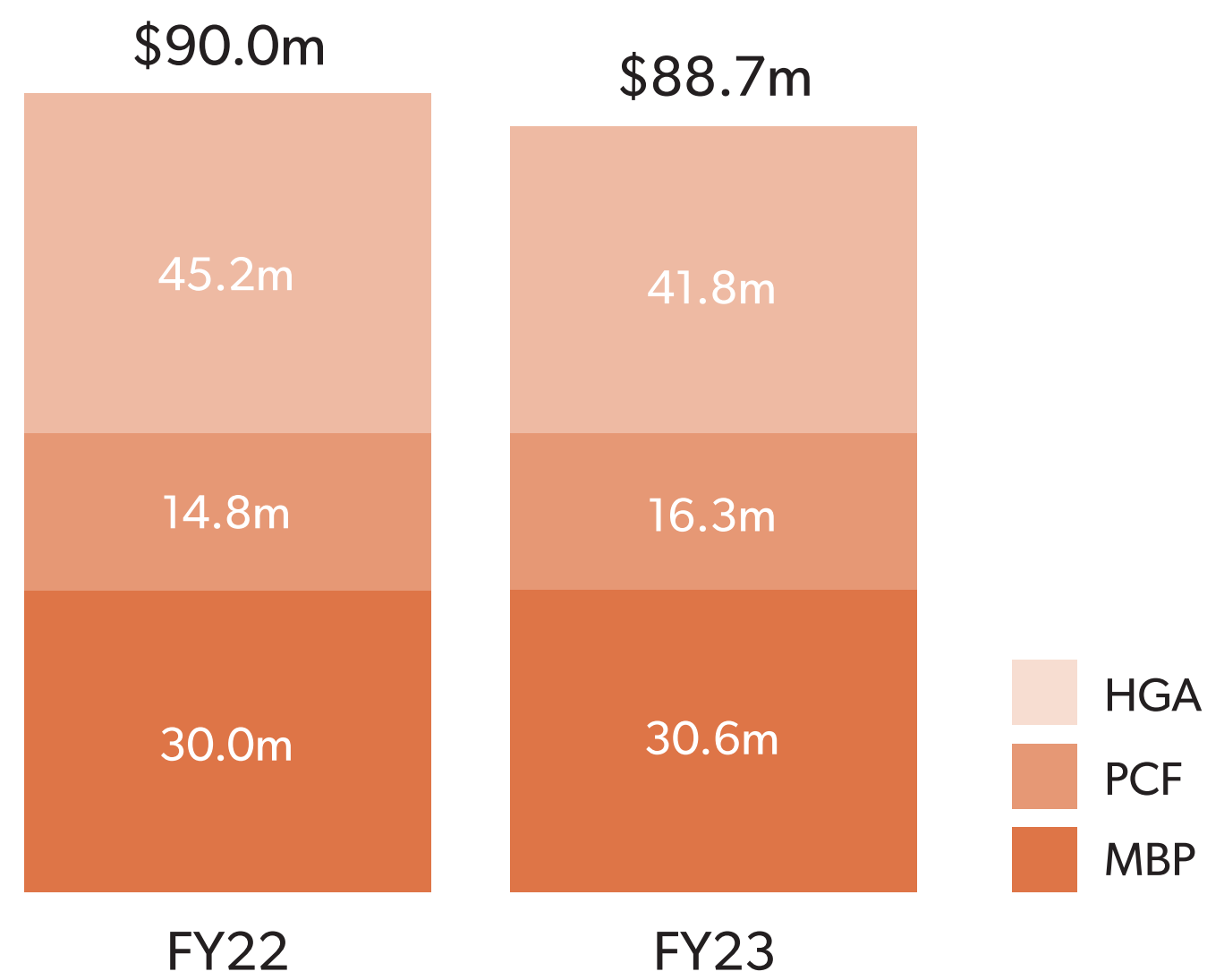
(\$'000)	FY22	FY23	Change
<b>Net Sales</b>	<b>89,989</b>	<b>88,706</b>	<b>-1.4%</b>
Gross Margin \$	46,562	44,608	-4.2%
Gross Margin %	51.7%	50.3%	-1.4 pts
<b>Trading EBITDA</b>	<b>10,534</b>	<b>3,219</b>	<b>-69.4%</b>
% of Net Sales	11.7%	3.6%	<b>-8.1 pts</b>
EBITDA (Statutory)	5,623	4,382	-22.1%
NPAT (Continuing)	2,387	766	-67.9%
NPAT (Discontinued)	(14,865)	(328)	+97.8%
OCI	153	24	-84.3%
<b>Reported Profit /(Loss)</b>	<b>(12,325)</b>	<b>462</b>	<b>+103.7%</b>

- Revenue down 1.4%, retail growing 7.2%, online down 8.4%
- Gross Margin impacted by COGS inflation and shifting channel and product mix
- Trading EBITDA down 70% due to Gross Margin and CODB
- Statutory EBITDA includes the the reversal of contingent consideration (\$14.0 million) for HGA, offset by the impairment of the carrying value of HGA goodwill (\$12.5 million)
- NPAT Discontinued relates to St David Dairy trading prior to disposal.



# NET SALES REVENUE & GROSS MARGIN

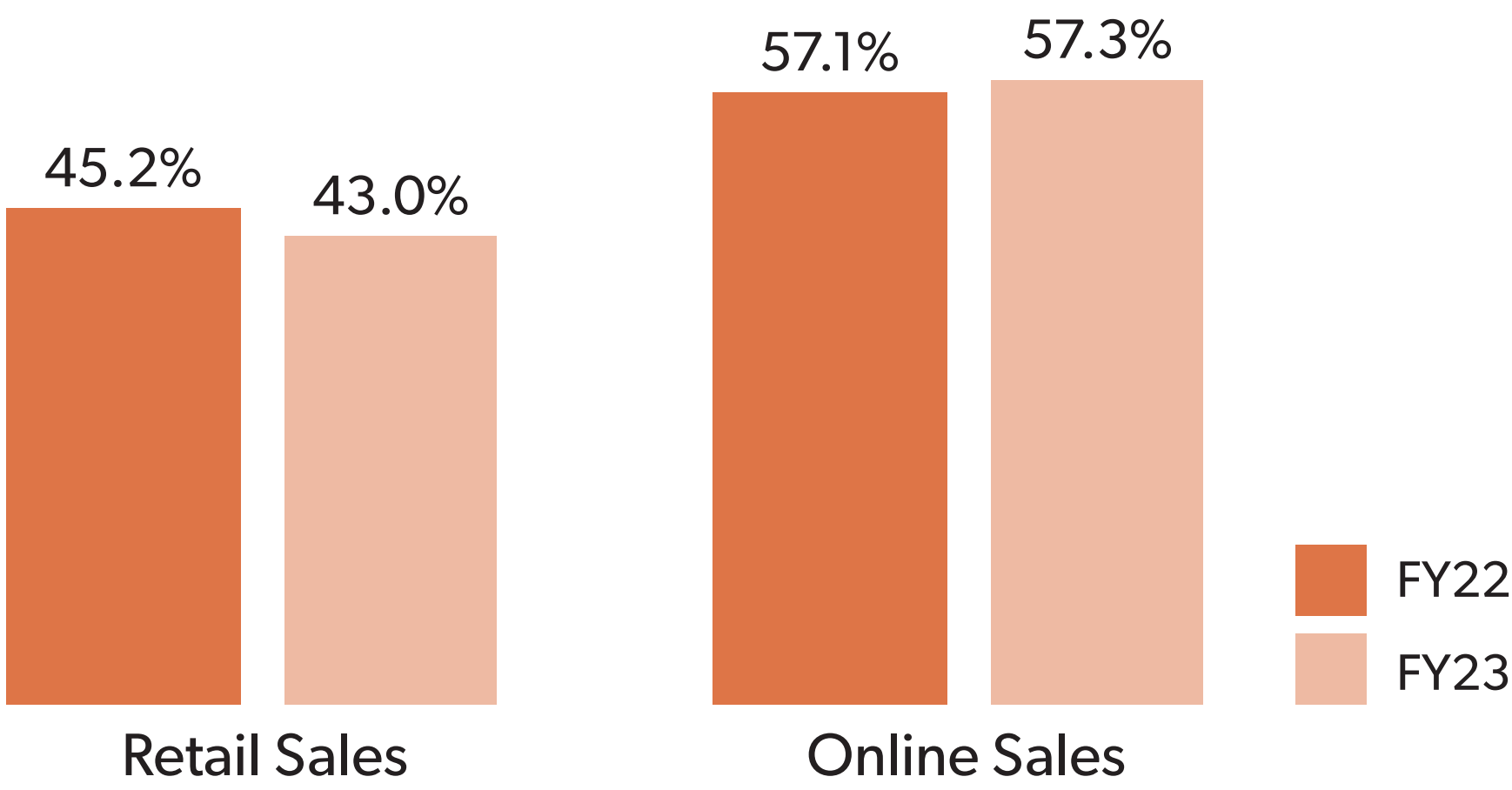
NET SALES REVENUE BY ENTITY



**Variance to LY of \$1.3M:**

- Rising interest rates and inflation impacting consumer spending habits
- MBP up 1.9% and PCF up 10.5% and HGA down -7.5% in line with shift from online to bricks and mortar
- This has resulted in mix shift from online to retail by 4 pts

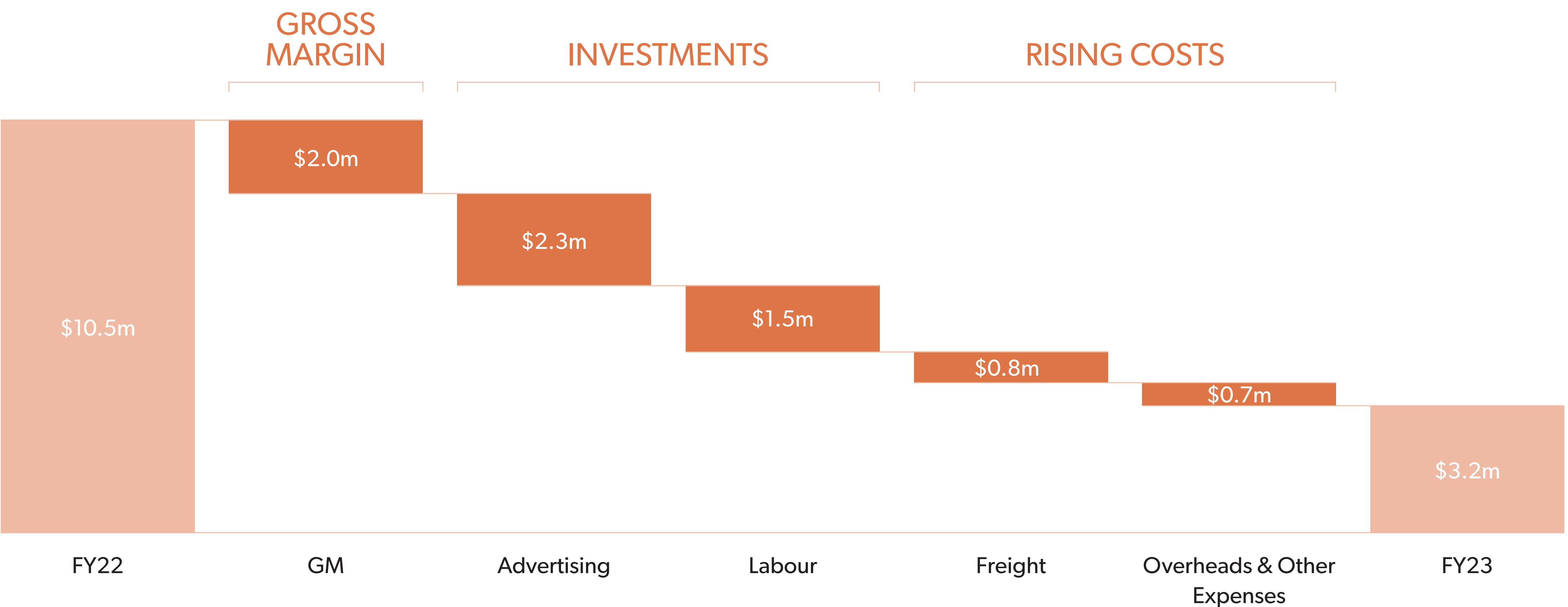
GROSS MARGIN BY CHANNEL



- Mix shift from online to retail has reduced GM BY 1.4pts
- Online sales across Maggie Beer, The Hamper Emporium and Gifts Australia are down 8.4%
- Retail sales in MBP and PCF have grown +7.2%
- The increased mix to major retailers and 3PM products has reduced GM from 45.2% to 43.0%



# FY23 TRADING EBITDA





# BALANCE SHEET AND CASHFLOW

(\$'000)	30-Jun-22	30-Jun-23
<b>Assets</b>		
Cash	10,801	9,216
Trade receivables	7,567	7,534
Inventory	16,733	14,028
Right of Use Asset	4,030	7,448
PPE	12,391	13,198
Goodwill	44,512	32,012
Other intangibles	17,865	15,568
Assets held for sale	557	-
Other assets	4,881	4,795
<b>Total assets</b>	<b>119,337</b>	<b>103,799</b>
<b>Liabilities</b>		
Trade and other payables	8,647	8,804
Financial liabilities*	18,300	7,928
Other liabilities	1,467	1,326
<b>Total liabilities</b>	<b>28,415</b>	<b>18,058</b>
<b>Net Assets</b>	<b>90,923</b>	<b>85,741</b>

- Well-funded with \$9.2m cash and no debt\*
- Decrease in net assets of \$5.2m includes return of capital & dividends paid (\$5.3m)
- Net tangible assets increased by \$9.9m to \$38.2m

\*Except for lease liabilities, the Group has no non-asset backed interest-bearing liabilities.

(\$'000)	30-Jun-22	30-Jun-23
Receipts from customers	102,938	92,224
Payments to suppliers and employees	(102,265)	(85,700)
<b>Net cash from operating activities</b>	<b>673</b>	<b>6,524</b>
Net cash used in investing activities	(1,318)	(1,026)
Net cash used in financing activities	(2,096)	(7,083)
<b>NET CASH FLOW</b>	<b>(2,741)</b>	<b>(1,585)</b>

- Positive operating cashflow of \$6.5m generated in FY23 with \$2.7m less in inventory compared to FY22 and EBITDA of \$3.2m
- Financing activities include the return of capital in November 22 of \$3.5m and dividends paid in March 23 of \$1.8m
- MBH is capital light, with a strong balance sheet.



# FY23 SNAPSHOT BY ENTITY: MBP

MBP (\$'000)	FY22	FY23	Change
Net Sales	30,029	30,587	1.9%
Gross Margin	13,815	13,279	-3.9%
GM %	46.0%	43.4%	-2.6 pts

- MBP sales were up 1.9% reflecting strong growth in retail of 5.8% partly offset by decline in online of 20.7%
- GM% decreased by 2.6 pts, due to shifting channel and product mix
- Cooking category up 12.4% from launch and increased distribution of Stocks and Bone Broths

## RANGE EXPANSION SUPPORTED BY MARKETING AND IN STORE ACTIVATION



- Expansion of stocks and finishing sauces
- In store activation
- Advertising support



- Led by growth in cheese and pastes
- In store activation
- Advertising support



- Launch of Maggie Living Range
- 30% of online sales since launch





# FY23 SNAPSHOT BY ENTITY: HGA

HGA (\$'000)	FY22	FY23	Change
Net Sales	45,198	41,811	-7.5%
Gross Margin	26,018	24,151	-7.2%
GM %	57.6%	57.8%	0.2 pts

- HGA net sales declined by 7.5%, outperforming the market\* which has contracted due to macro-economic environment and reduction in post covid demand for hampers
- Cheese hampers were the fastest growing segment delivering almost \$3m in sales from standing start
- GM% was maintained as Average Order Value held despite drop in volume
- The key impacts on HGA's EBITDA is Gross Margin drop due to sales and incremental investment required in paid advertising

\*Based on Google data and Similar Web Analytics

## STRENGTHENED THE FOUNDATIONS

- Strong Net Promoter Score 70%
- Bulk ordering system implemented for corporate



## IMPROVED CONVERSION ON CORE BUSINESS

- The Hamper Emporium outperformed the market growing share of clicks
- Continued to leverage customer database of over 1m
- Over 2m website visits each for The Hamper Emporium and Gifts Australia
- Conversion rates improved especially over peak Christmas period

## LAUNCHED NEW OFFERS





# FY23 SNAPSHOT BY ENTITY: PCF

PCF (\$'000)	FY22	FY23	Change
Net Sales	14,762	16,308	10.5%
Gross Margin	6,729	7,178	6.7%
GM %	45.6%	44.0%	-1.6 pts

- PCF Sales up 10.5%
- Incremental distribution in milk and in store activation
- Milk expansion into flavoured albeit small volume
- Bulk milk sales improvement
- Gross Margin % impacted by rising input costs net of price realisation







STRATEGY & OUTLOOK

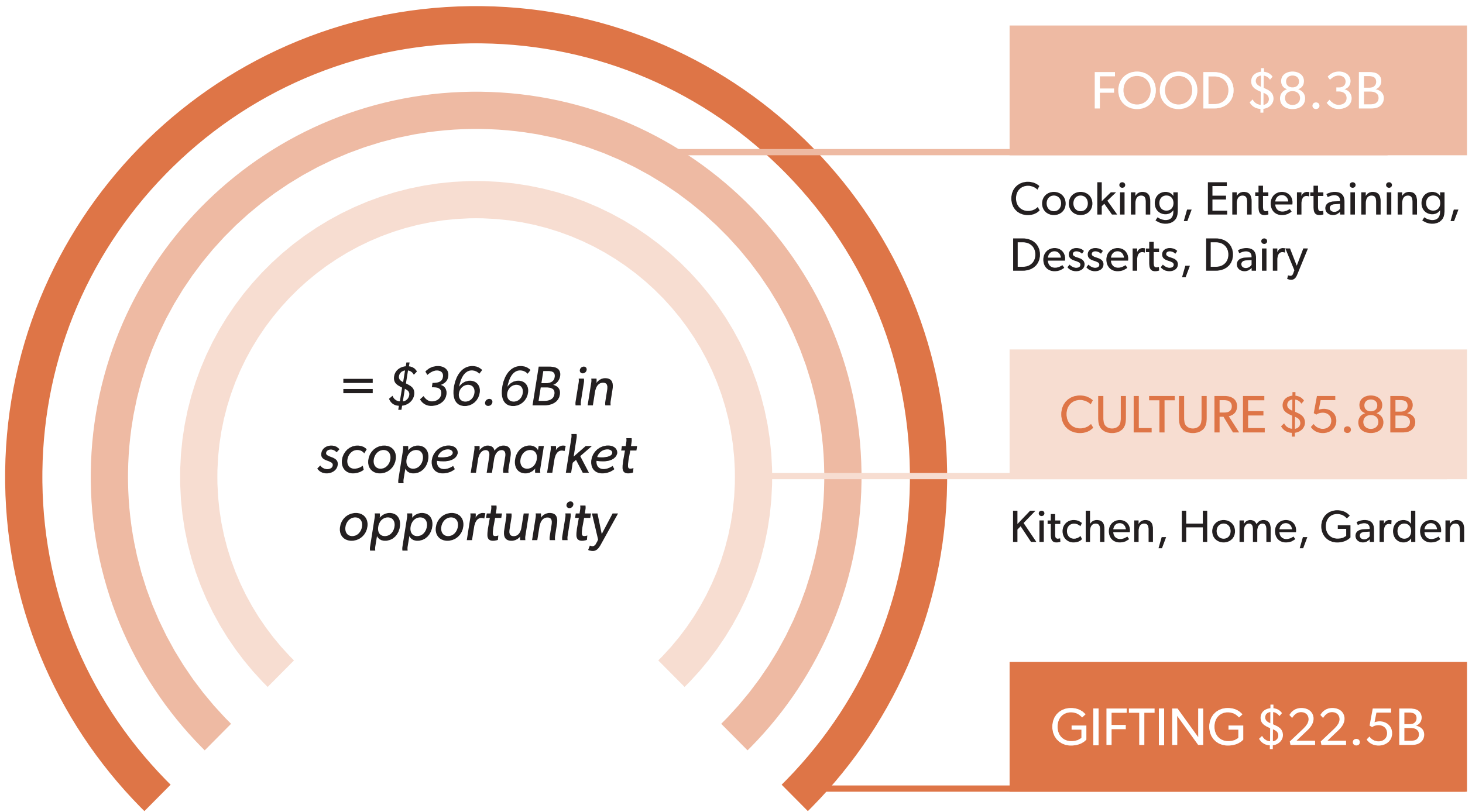
# ASPIRATION & ADDRESSABLE MARKET

## OUR VISION

TO CHAMPION THE  
JOY OF AUSTRALIAN FOOD,  
CULTURE AND GIFTING

## OUR 5 YEAR ASPIRATION

*To create a \$300M net sales revenue  
business with strong margins and  
return on assets*





# 5 YR STRATEGY RECAP - RE-IMAGINING THE BUSINESS



From:

An iconic food brand

To:

An iconic food & lifestyle brand in Australian kitchens, homes and gardens.



**Paris Creek Farms**  
ORGANIC DAIRY

From:

A specialist organic dairy focussed on white milk

To:

Superior quality dairy manufacturing with strong capability in cheese, yoghurt and desserts.



From:

A market leading hamper & gifting business

To:

A market leading e-commerce platform that is the first choice destination for gifting, entertaining, and sharing occasions.



# 5 YR STRATEGY RECAP -RE-IMAGINING GROWTH

*Realising the untapped potential of our assets by reframing MBH's distinct business structures into a unified force*

## 1 OPTIMISE & UNIFY ASSETS

- Retain PCF asset and invest in capacity and capability in value added dairy. Utilise asset across PCF, MBP and 3PM
- Integrate the 3 discrete business units to unlock synergies and cost efficiencies
- Streamline operations through robust supply chain processes and core range management

## 2 EXPAND THE MAGGIE BEER BRAND

- Grow the core by increasing penetration in existing retail and online channels
- Expand Maggie Beer Brand across food and lifestyle leveraging existing e-commerce capability
- Raise awareness of Maggie Beer products through an omnichannel approach to Marketing

## 3 SCALE E-COMMERCE PLATFORM

- Strengthen the foundations in operations and customer service
- Improve conversion by enhancing customer experience through a digital driven ecosystem
- Keep the offer fresh in core brands and build out new verticals and growth horizons



# FY24 PRIORITIES

*Focus on optimising core operations and investments to strengthen brands, accelerate innovation and enhance the customer experience*

## 1 OPTIMISE & UNIFY ASSETS

- *PCF cheese capex investment*
- *Deliver supply chain synergy*
- *Improve productivity*
- *Reduce waste*
- *Streamline product ranges*

## 2 EXPAND THE MAGGIE BEER BRAND

- *Grow distribution in core ranges*
- *Innovate and expand Food range*
- *Launch Home and Garden range*
- *Refresh Marketing program*
- *Update the website and Food Club*

## 3 SCALE E-COMMERCE PLATFORM

- *Execute Christmas plan with excellence*
- *Improve Customer Service tools and systems*
- *Reset approach to corporate sales*
- *Better leverage customer database*
- *Innovate with new categories and partnerships*



# FY24 PROGRESS

1

OPTIMISE & UNIFY ASSETS

- Created unified Supply Chain team across MBP & PCF
- In-housed Maggie Beer Ash Brie (pre capex)



2

EXPAND THE MAGGIE BEER BRAND



Maggie Beer Ice Cream range will be available at Major Supermarket in Oct

3


SCALE E-COMMERCE PLATFORM



Cocktail Hampers: New Partnership with Curatif



Grazing Hampers: Launched online

 The Hamper Emporium  
<https://www.thehamperemporium.com.au> › [australian...](#)

## Australian Cheese Grazing Hamper

Create the most delightful **grazing** board featuring delicious gourmet cheese. This **hamper** contains indulgent cheeses and pastes from Maggie Beer, ...  
\$99.00 · In stock



# OUTLOOK

---

## FY24 FOCUS

- Investing in marketing, analytics and e-commerce capability to set a strong foundation for FY25
- Optimising our assets
- Innovating and expanding our ranges
- Building new categories and partnerships

## OUTLOOK

- MBH focused on leveraging strengths to meet shifting consumer habits as market conditions remain uncertain
- The Company expects to return to positive sales growth in FY24 led by growth in MBP across retail and e-commerce
- Gross margin percentage (GM%) expected to be broadly in line with FY23 given similar macro environment and channel mix
- Continued focus on operational cost and pricing discipline expected to lead to improved EBITDA margin
  - Labour costs expected to increase from investment to execute strategy (% of sales in line with FY23)
  - Advertising spend expected to be similar to FY23
- Maintain strong balance sheet which supports investments in growth initiatives.







# DISCLAIMER

---

## **Important Notice and Disclaimer**

This presentation has been prepared by Maggie Beer Holdings Ltd (**MBH**) to provide summary information about MBH and its subsidiaries. This presentation is provided for information purposes only. The information in this presentation is in a summary form, does not purport to be complete and is not intended to be relied upon as advice to investors or other persons. The information contained in this presentation was prepared by the Company as of its date, and remains subject to change without notice. This presentation has been provided solely for the purpose of giving information about the Company. It should be read in conjunction with MBH's other periodic and continuous disclosure announcements which are available at [www.asx.com.au](http://www.asx.com.au).

This presentation is unaudited and all dollar values are in Australian Dollars (A\$) unless otherwise stated. The financial information includes non-IFRS information which has not been specifically audited in accordance with Australia Accounting Standards but has been extracted from the 2023 full year financial report and other available financial information.

## **Forward-looking statements**

This presentation contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward-looking statements are subject to a range of risk factors. MBH cautions against reliance on any forward-looking statements, particularly in light of the current economic climate and the significant volatility. While MBH has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. MBH will not be liable for the correctness and/or accuracy of the information, nor any differences between the intended strategy and actual outcomes, and reserves the right to change its strategy and projections from time to time. MBH undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

## **Information is not advice or offer of securities**

This presentation is not, and is not intended to constitute, financial advice, or an offer or an invitation, solicitation or recommendation to acquire or sell shares in the Company or any other financial products in any jurisdiction and is not a prospectus, product disclosure statement, disclosure document or other offering document under Australian law or any other law. This presentation also does not form the basis of any contract or commitment to sell or apply for securities in the Company. It is for information purposes only.

## **No liability or responsibility**

To the maximum extent permitted by law, the Company and each of its affiliates, directors, employees, officers, partners, agents and advisers and any other person involved in the preparation of this presentation disclaim all liability and responsibility (including without limitation, any liability arising from fault or negligence) for any direct or indirect loss or damage which may arise or be suffered through use or reliance on anything contained in, or omitted from, this presentation.

*Copyright © 2023 Maggie Beer Holdings Limited ACN 092 817 171. All rights reserved 2023. No part of these materials may in any form or by any means be reproduced, adapted, transmitted or communicated without the prior written permission of MBH.*





END OF PRESENTATION