



ASX

# Annual General Meeting

31<sup>ST</sup> October 2023





# AGM Agenda

**Chair:**

*Opening & Introduction  
Procedural Matters  
Chair's Address*

**CEO:**

*Recap of FY23 Results  
FY24 Q1 Results  
FY24 Q2 Initiatives  
FY24 Priorities & Outlook*

**Chair:**

*Business of the meeting*





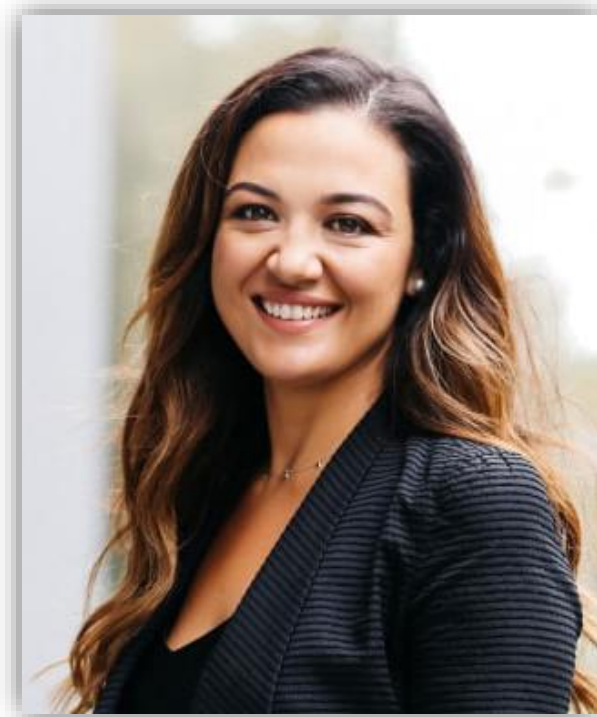


Chair's Address



# EXECUTIVE LEADERSHIP TEAM

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**Kinda Grange**  
**Chief Executive Officer**  
Joined March '23



**Craig Louttit**  
**Chief Financial Officer**  
Joined July '23

# STRATEGY RECAP

*Realising the untapped potential of our assets*

## 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*





FY23 Results



# 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 Q1 Results



# 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*



# Q1 FY24 PROGRESS

## 1 OPTIMISE & UNIFY ASSETS

- ✓ PCF cheese project: gained strong momentum: Ash Brie transition, key resources in place, equipment manufacturers scoped.
- ✓ Supply chain synergies and unification: org redesign implemented, MBP new freight company, PCF freight in-housing
- ✓ Executed price rise with retailers for PCF and MBP
- ✓ Implemented phase 1 of range simplification across 3 sites.

## 2 EXPAND THE MAGGIE BEER BRAND

- ✓ Increased distribution in core ranges:
  - Cheddar 4 SKUs launched in Metcash
  - Sugo launched into Coles premium stores
  - Ice cream launched into Woolworths
  - Pate Duck Peppercorn launch into Woolworths and Coles



Entertaining



Cooking



Desserts

- ✓ New products under development for 2H launch
- ✓ Expanded Home range with table linen, serving platters, French market baskets,
- ✓ Christmas plans and new hampers launched
- ✓ Q2 marketing campaigns developed including digital, outdoor, and magazines.

## 3 SCALE E-COMMERCE PLATFORM

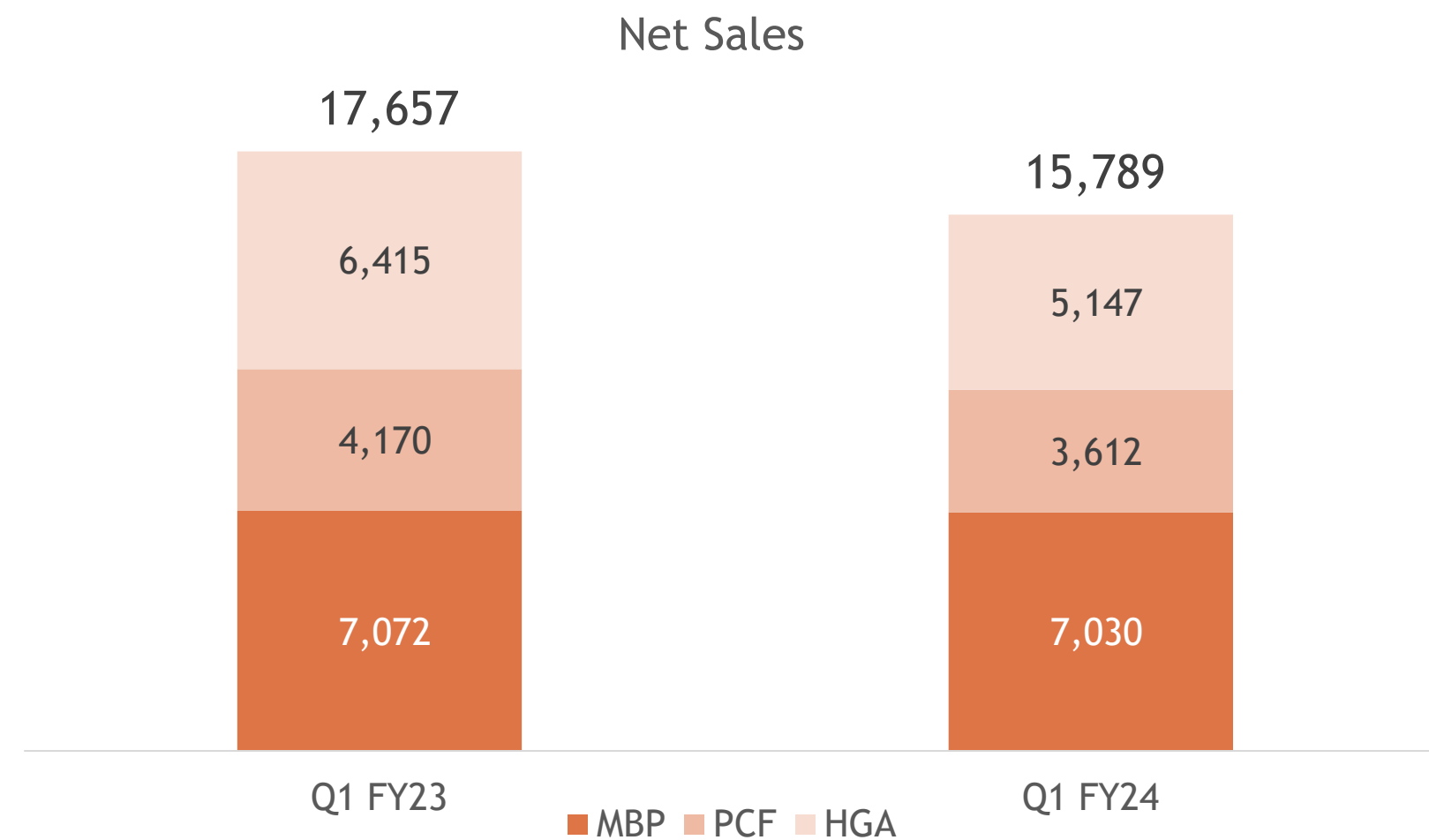
- ✓ Martech enhancements implemented
- ✓ Personalised corporate Christmas campaign launched
- ✓ Customer Service tools and systems optimised for peak season, Q1 NPS 76.1
- ✓ New categories and products launched (details on following pages).





# Q1 FY24 - GROUP

(\$'000)	Q1 FY23	Q1 FY24	% Change
Retail Sales	10,912	10,384	-4.8%
E-Commerce Sales	6,745	5,405	-19.9%
<b>Net Sales</b>	<b>17,657</b>	<b>15,789</b>	<b>-10.6%</b>
Retail Gross Margin	4,920	4,613	-6.2%
E-Commerce Gross Margin	3,961	3,193	-19.4%
<b>Gross Margin</b>	<b>8,882</b>	<b>7,806</b>	<b>-12.1%</b>
<i>Gross Margin %</i>	<i>50.3%</i>	<i>49.4%</i>	<i>-0.9 pts</i>



- Net sales decreased by 10.6% on Q1 FY23, with retail sales down 4.8% and e-commerce sales down 19.9%.
- E-commerce sales have been impacted by contraction in the hamper category reflecting post COVID trends and macro-economic factors. This trend further increases the concentration of sales during the Christmas quarter (and supports our strategy to diversify our offering).
- Retail sales down 4.8% driven by PCF exit of unprofitable milk volume. Maggie Beer Products was almost flat with LY with the growth in “cooking” categories offset by decline in “entertaining”.
- GM% decreased by -0.9pts on Q1 FY23, reflecting changing channel and product mix, partially offset by lower inbound international freight costs.
- Retained positive net cash\* position of \$0.4m, with inventory building during the quarter in advance of Q2 FY24 peak sales. Cash is forecast to increase significantly during Q2 FY24.
- Q2 is showing improved momentum with both Retail and e-commerce sales in October tracking in line with LY. This is a positive start to the peak sales period.

\*Net cash is cash net of bank debt, excluding Finance leases i.e., equipment and rental leases accounted for under AASB 16.





FY24 Q2 Initiatives



# E-commerce Initiatives

*To be the first choice of hampers & gifts, creating extraordinary gifting experiences and delivering joy to every recipient with ease. We will heighten the enjoyment of food, beverage and indulgent moments over the festive season.*

## Events & Promotions

- *Click Frenzy*
- *Black Friday*
- *12 Days of Christmas*
- *Boxing Day*
- *NYE*

## New Product Ranges

- *New Christmas Hampers*
- *New Occasions: Grazing/Entertaining*
- *New Categories: Bridesmaids, Corporate only hampers*
- *New Verticals: Travel, Pet*
- *New Partnerships/Co-labs: Penfold's, Curatif, Frank Green, Maggie Beer*

## Marketing & Conversion

- *New creative and content*
- *Marketing campaigns*
- *Website enhancements*
- *Improved Customer Service tools and systems*
- *Personalised approach to corporate sales*



# New Product Ranges

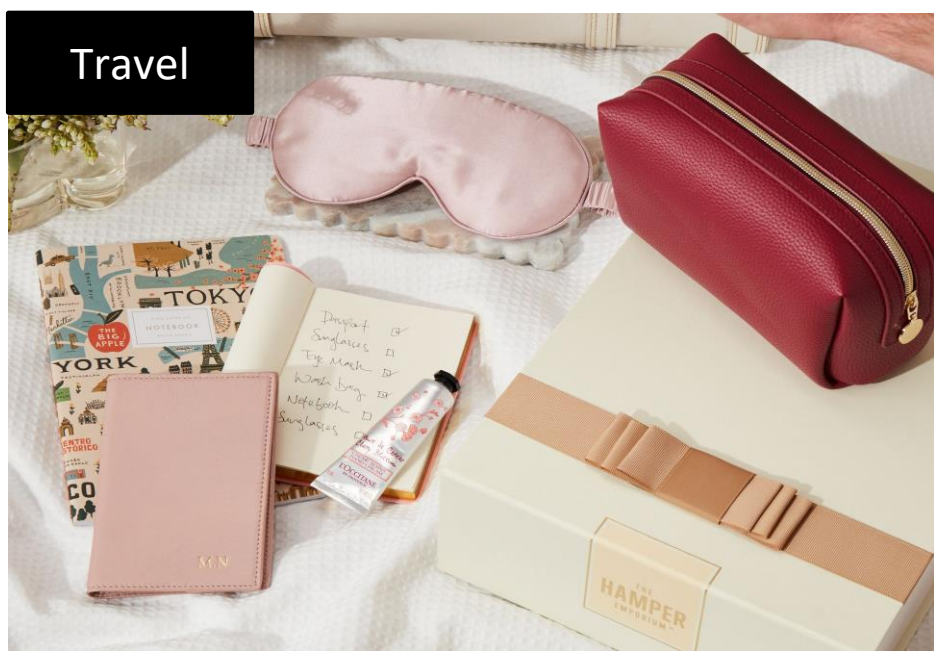
Setting the foundation for a more diversified e-commerce business

## Christmas Hampers

## New Occasions

## New Categories

## New Verticals





# New Product Ranges: Partnerships/Collaborations

*Premium brand partnerships to elevate and further differentiate our offer across existing and new occasions*

Maggie Beer



Penfolds



Curatif Cocktails



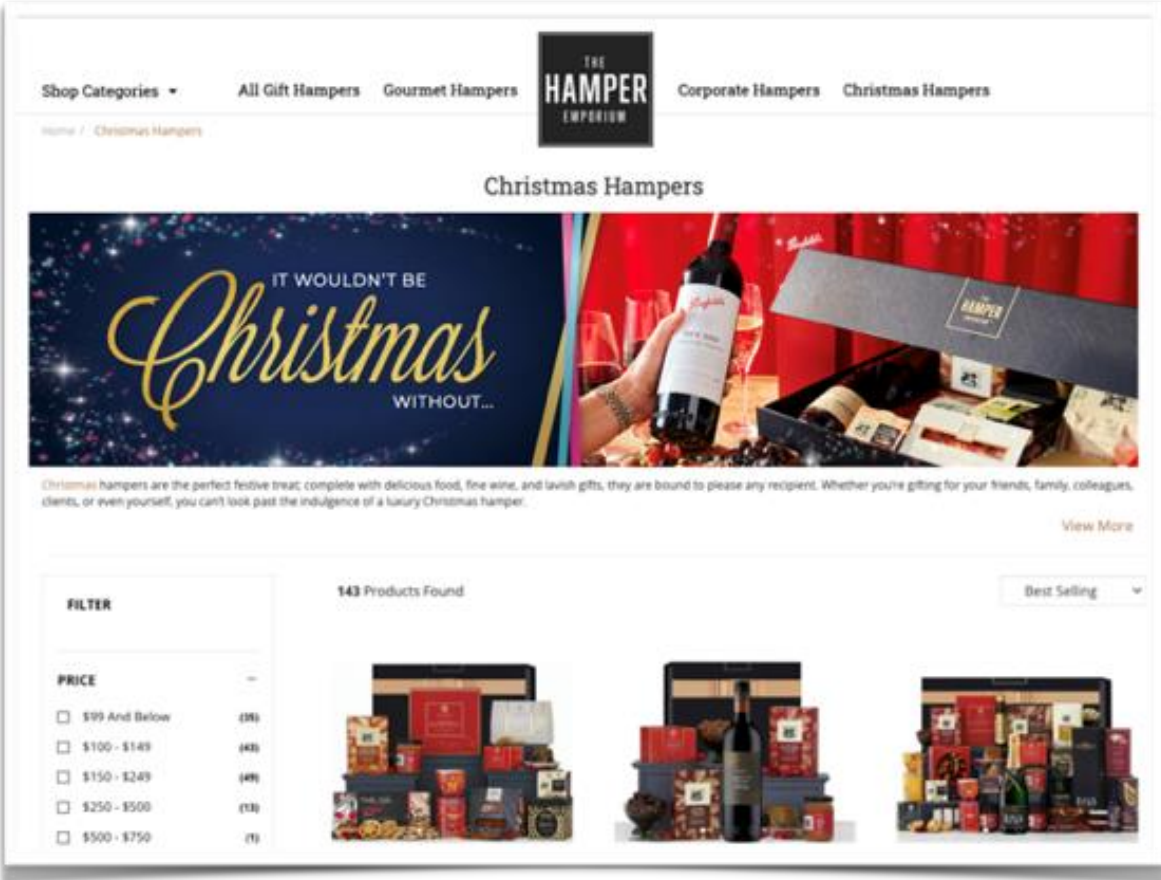
Frank Green



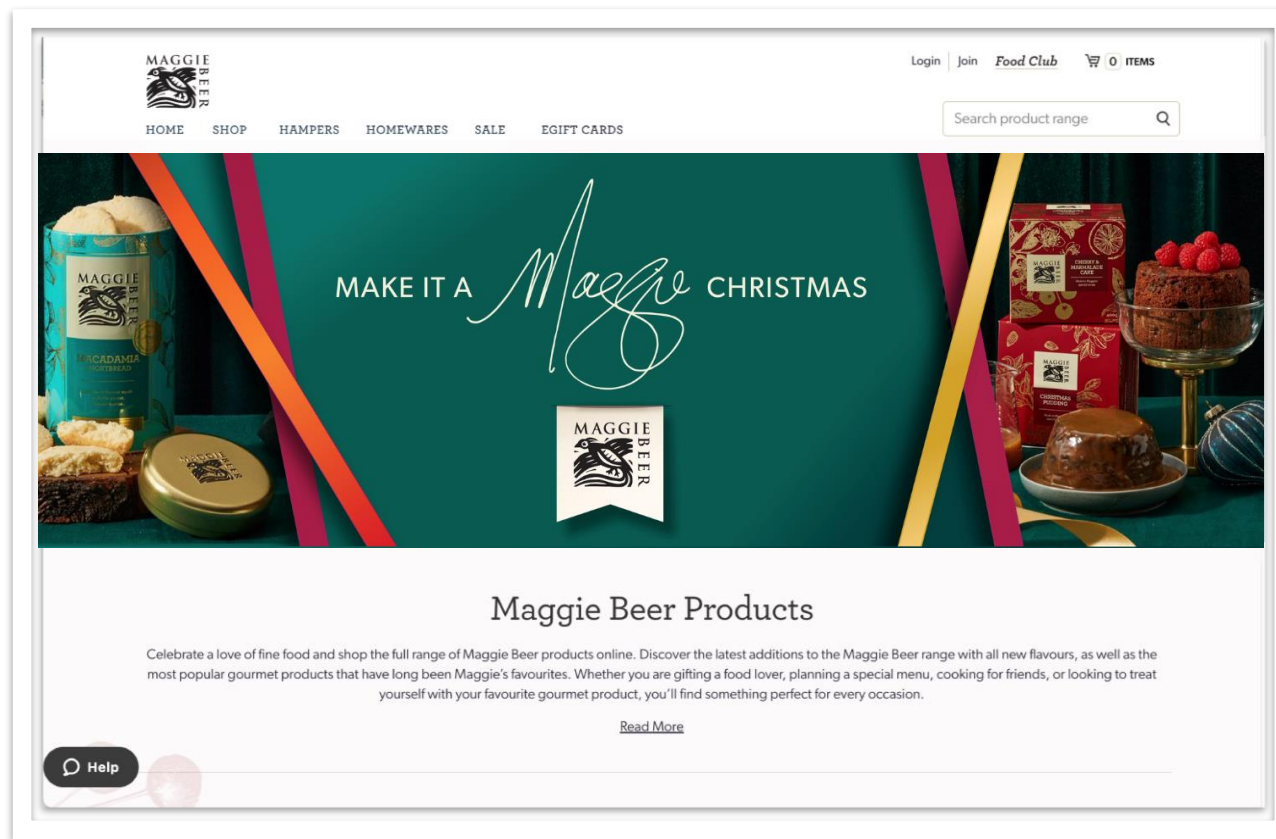


# Website Christmas Themes

## The Hamper Emporium



## Maggie Beer 'Signature'



## Gifts Australia





# New Brand Creative: “Make it a Maggie Moment”

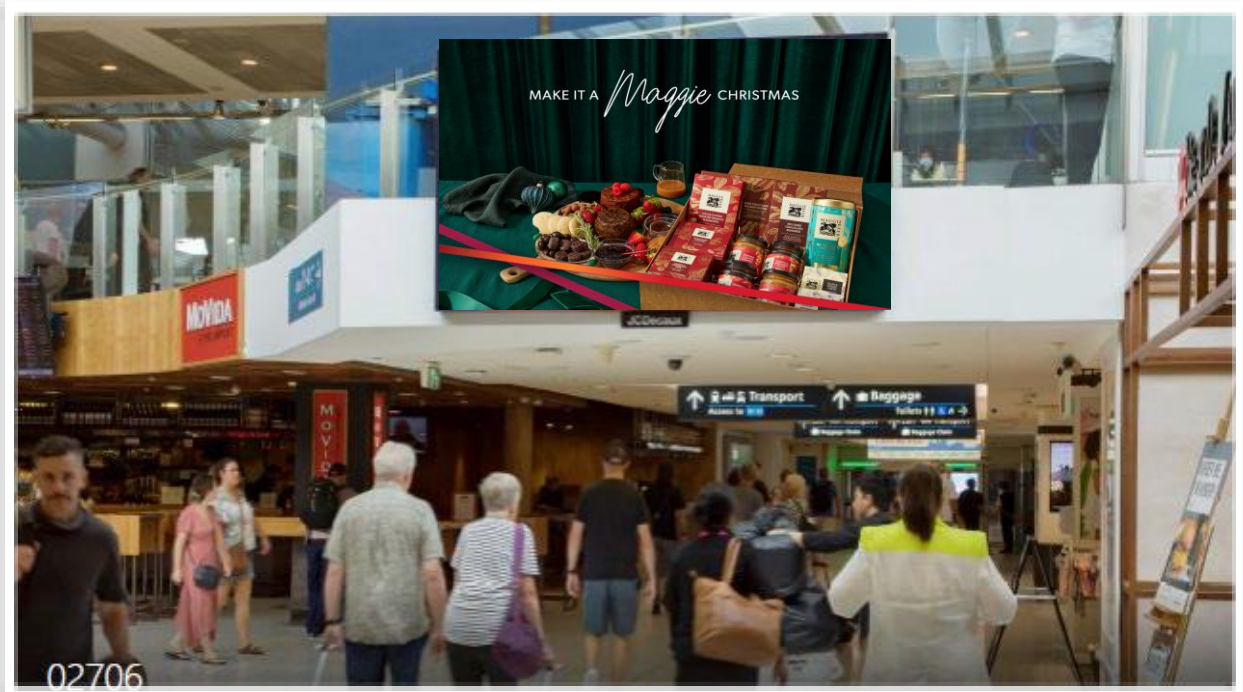




# Maggie Beer Brand Marketing

## Above the line Advertising

\*All creative to be finalised



## Digital Advertising



## Retail Activation







## Summary & Outlook



# OUTLOOK

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## 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 in the lead-up to the important Christmas trading period.
- The Company expects to return to positive sales growth in FY24 led by growth in MBP across retail and e-commerce, assuming the positive momentum seen in October continues through Christmas and balance of year.
- 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.





End



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