LYNCH GROUP HOLDINGS LIMITED

FY22 ASX SMALL AND MID-CAP CONFERENCE

13 SEPTEMBER 2022

LYNCH GROUP

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Basis of preparation for financial data

In certain places within the presentation, the rounding of figures may result in some immaterial differences between the sum of components and the totals outlined within graphs and percentage calculations. Segment revenue is stated excluding intersegment revenue eliminations. Historical numbers may be Pro-Forma numbers where Pro-Forma has a basis of calculation consistent with the Prospectus and as disclosed in the Company's annual report. Cash conversion is calculated as cash generated from operations divided by EBITDA. Working capital is the sum of trade and other receivables, inventories, and other assets less the sum of trade and other payables, current tax liabilities, lease liabilities and provisions. Net debt / EBITDA is calculated as Cash and cash equivalents less borrowings less lease liabilities divided by EBITDA. Revenue per sqm reflects farm revenue in a period divided by the average number of square meters of productive farmland used to grow sellable product.

The working currency of the China segment is RMB. As such there will be foreign exchange gains or losses when comparing this segment against prior periods or forecast. The actual FY22 RMB / AUD foreign exchange rate of 4.69 is 5.2% favourable to the FY21 rate of 4.94.

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LYNCH OVERVIEW

Floral category leader

#1 in Australia
– only national scaled supplier to major supermarkets

100+ years of history

with deep supply chain expertise

>17 years presence in China

with strong platform established to accelerate growth and capture opportunity

LYNCH OVERVIEW

- Dominant position in fast growing supermarket channel
- Perishable product with a complex supply chain creates significant barriers to entry
- Access to own China supply and other Tier 1 growers a competitive advantage
- Diversified supply base and flexibility in downstream distribution (e.g. SOR Stores) minimises risk and protects margins
- Low capex and high cash conversion

- Rapidly developing market with fast growing consumer demand expected to outstrip supply for many years
- Investment driving year-round supply of premium product
- Diversified channels to market
- Majority of production now sold via fixed price retail platform orders
- Track record of predictable and attractive ROIC on growth capex

KEY METRICS: AUSTRALIA

$309m FY22 Revenue
(+8% on pcp)

$23m FY22 EBITDA
(-36% on pcp)

c.400 Employees
(outside of event periods)

4 Cool chain controlled processing facilities
(Sydney, Melbourne, Brisbane and Perth) serving supermarket channel

4 Market Sites
Flower HQ (Sydney, Canberra, Newcastle and Brisbane) serving wholesale and florist channel

3 Farms
Focused on niche high volume supermarket lines – potted and Australian wildflowers (QLD and WA)

2,000+ Retail stores
supplied and serviced

200+ Field force personnel
servicing stores across the country

Full Category Solution
End to end category management and support for our customers - product innovation, Account Management, procurement, biosecurity, processing, distribution and merchandising

The main floral supplier to Australian supermarkets

Lynch is the only player with the scale, security of supply, speed to market and product expertise to provide supermarkets with a consumer-ready national offering

Why supermarkets partner with Lynch

- ✓ Global, diversified procurement secures year-round supply
- ✓ Short vase life and delicate handling requirements means logistics expertise is important – Lynch's cool-chain logistics across all stages of the supply chain to maximise vase life
- ✓ Expertise required to navigate strict Australian biosecurity laws
- ✓ Ability to deliver and meet peak demand for key events (e.g. Valentine's Day and Mother's Day)
- ✓ Value-added activities such as event planning and product innovation
- ✓ Unique category for supermarkets, which requires dedicated merchandising focus
- ✓ SOR model reduces supermarket store risk. Lynch optimises product mix, invests in merchandising and takes responsibility for waste when products are not sold

KEY METRICS: LYNCH CHINA

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$87m FY22 Revenue
(+36% on pcp)

$25m FY22 EBITDA
(+12% on pcp)

c.1,000 Employees
(including labour hire)

4 Farms
utilising leading protected greenhouse infrastructure and systems, enabling year-round, high quality production supermarket channel

Kunming processing facility
full cool chain control, export quarantine accredited

Shanghai processing facility
Lynch's first consumer market cool chain controlled distribution footprint in China

Leading sales platform
leveraging customer demand across florist, wholesaler and retail customers domestically in China, and via export

Established functional teams
across product development, processing, procurement, logistics, quality assurance and finance teams supporting daily volume throughput and administration.

Government relationships
trusted and long-term

CHINA MARKET DYNAMICS

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Yunnan Province offers very favourable conditions for cut flower production

- Majority of China's floral production is based in Yunnan, south-west China (imports into China remain low) ideal climate
- Efficient source of supply for major Tier 1 city consumer markets
- Strong government support for floriculture investment

Fragmented growing base

- Typically small land parcels, limited investment in growing infrastructure/ technology, older varietal genetics
- Very few producers of scale, but developing over time

Supply chain still developing

- Small growers combine as cooperatives to market product
- Multi layered wholesale channels to market slow (7+ days) and cost additive (3+ wholesale margins)
- Limited focus on cold chain and product integrity through to the consumer

Consumer interface presents opportunity

- Highly fragmented universe of florists
- Chained retailers have historically experienced difficulty with the category scaled and reliable supply being the key challenge
- Relatively poor value proposition for consumers (price and quality)

FARM FOOTPRINT EXPANSION DRIVING SIGNIFICANT GROWTH

Yiliang Farm

Lufeng Farm Gerbera GH

FINANCIAL PERFORMANCE – FY22

Underlying revenue on track with profit impacted by COVID disruptions and supply chain pressures

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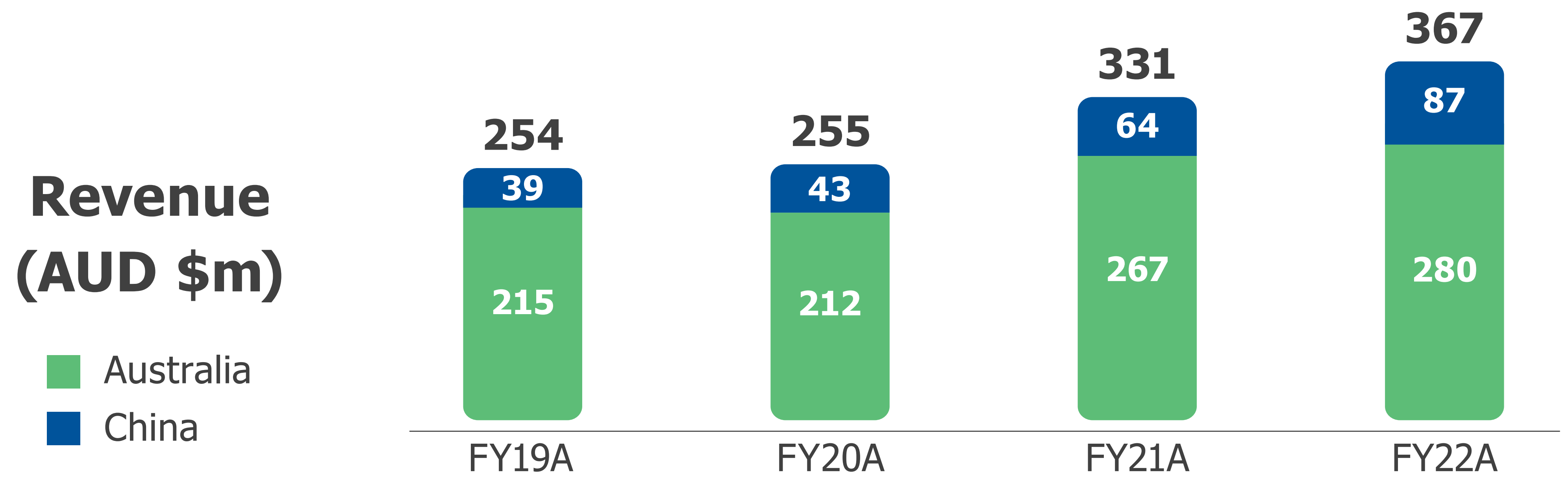
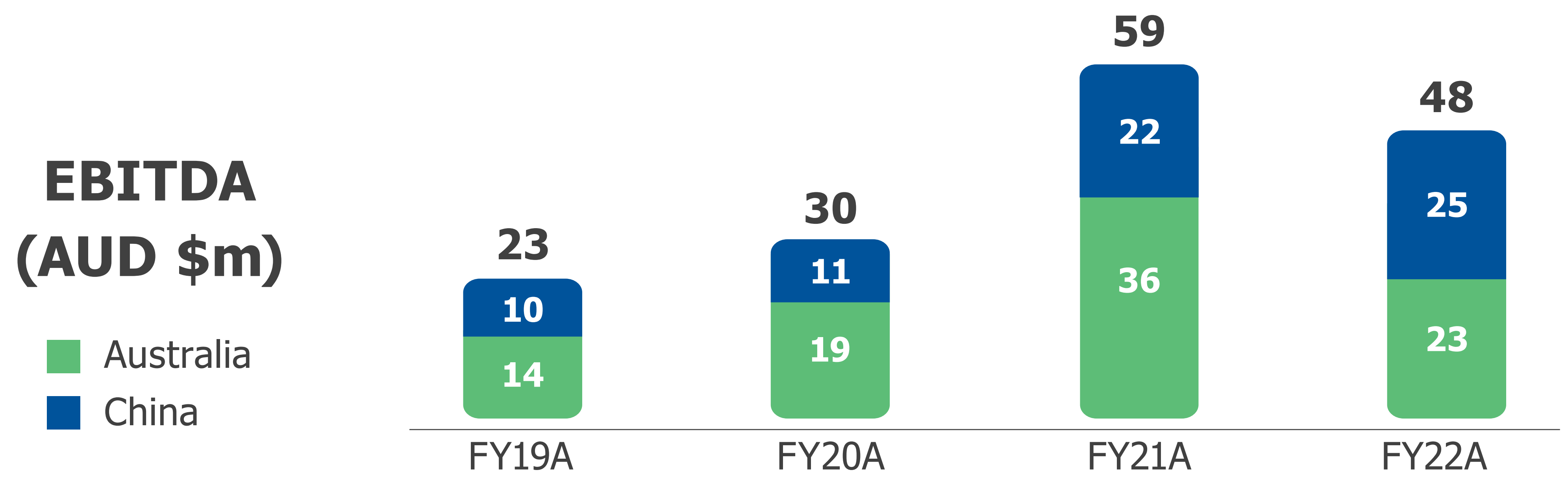
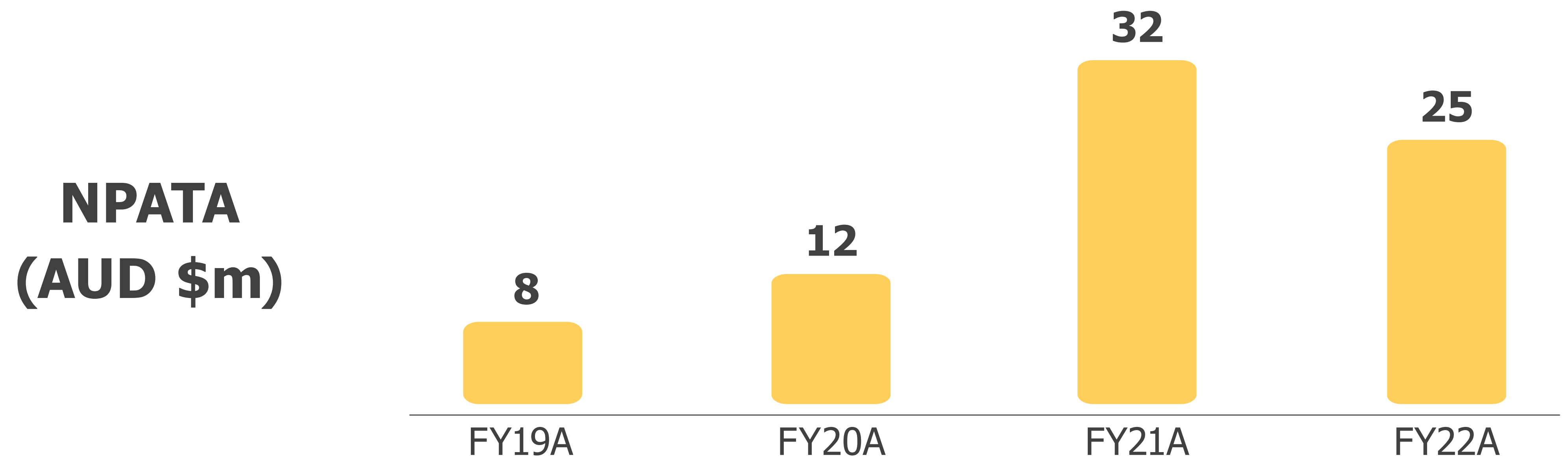
- **FY22 Revenue +11%, EBITDA -18%, NPATA -24%** against FY21
- **Strong revenue growth in Australia**, EBITDA results impacted by labour shortages and supply chain disruption
- **Robust EBITDA and revenue growth in China** as a result of volume expansion and continued strength in market demand
- **Key operational objectives continue to be delivered** across both geographies
- **Major Australian events delivered successfully with high sell through rates** despite labour challenges and some product shortages. Mother's Day was the largest single event in the group's history
- **Sale or return store conversions continue to exceed forecast,** now c.25% of store network
- **Added 18ha of additional greenhouse capacity in China, taking total capacity to 79ha**, with volume growth tracking to targets
- **Fully franked dividend of 6.0 cents per share declared** (interim dividend declared in February of 6.0 cents per share)







Australia revenue shown net of intersegment eliminations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