



ASX Announcement

30<sup>th</sup> August 2024

## OJC Preliminary Final Results Commentary

The Original Juice Co. Ltd (**Company**) is pleased to report its preliminary full year results for the period ending 30 June 2024.

### Financial Highlights

- Gross sales revenue of \$59.6m, an increase of 13.2% vs FY2023.
- Positive cash position of \$1.3m as at 30 June 2024.
- Overall operating EBITDA loss of \$1.7m (a reduction of \$2.9m vs FY2023) largely driven by sustained citrus unavailability and increased citrus costs.
- Citrus supply and cost, operational impacts from inconsistent raw materials and subsequent inability to service customers most efficiently, significantly hindered both top line sales and gross margins in FY2024.
- Improvement in both profitability and cashflow experienced during Q4 of FY2024.
- Juice Lab shots range saw 47.1% growth vs FY2023 and improved margins.

### Operational Highlights

- Continued trading through the global and local shortages of citrus, maintaining supply to our customers throughout the period.
- Launch of new Juice Lab SKUs.
- Added Apple and Green Original Juice Company product ranging in supermarkets.
- Acquired new Aseptic filler line to enable further industrial sales in FY2025 and an additional glass filling line to increase capacity of Juice Lab shots production and enhance efficiencies.
- Price rises on Private Label and Branded ranges effective in Q4 FY2024 to help align with increase in procurement costs and adverse market conditions.

The Original Juice Co. Ltd CEO, Steven Cail, commented:

*“While the challenges of FY2024 have been well highlighted regarding the supply and cost of citrus, it’s a pleasing outcome to continue consistently strong sales growth in an extremely challenging market. The business finished the year with a strong Q4 performance, which saw supply concerns ease and a pleasing return to positive operating cash. In the second half of FY2024, the business achieved on shelf price rises along with strategic changes to procurement that has set it up to help offset sharp rises in fruit and operational costs.*

*While there are still challenges regarding the supply and cost of citrus in FY2025, the business has worked extremely hard to diversify its portfolio and reduce its exposures to any one key area of supply. Over the past three years, the OJC juice portfolio has gone from circa 90% citrus to 55%, with the introduction of other non-citrus SKUs such as our apple, pear and vegetable Original Black Label ranging in supermarkets. A standout highlight for the business was the continued success of our award-winning*

*Juice Lab brand. The shots ranging continued to go from strength to strength, achieving 47.1% growth year on year, remaining the market leader in the fast-growing functional beverage space.*

*From an operational standpoint, the business continues to improve efficiency through the production facility. Additional capex to drive more efficient capability in bulk juice offerings and improved glass production output will give the business further opportunity to grow volume. This is particularly in products aligned with our strategy of growing higher margin, longer shelf-life products for our consumers not just in the supermarkets, but also beyond.*

*The overarching strategy within the business remains unchanged. OJC will continue to drive growth through innovation, more retailer partnerships, and key consumer offerings. Our key learnings in FY2024 accelerated the need to drive a more diverse portfolio of product offerings that can defend against seasonal shortages, particularly in citrus, and drive strong margins for our bottom line.*

*This sustainable growth will place OJC in a strong position to access market synergies and key strategic investment, solidifying our future as a popular and profitable leader in fruit juice and wellness beverages.”*

## **Financial Review**

### Revenue

Gross Sales for the Company in FY2024 were \$59.6m, an increase of 13.2% on the PCP. Net revenues after trading terms, volume rebates and other claims (trading terms) were \$49.4m. The decreased level of promotional activity during the year meant that Net Sales were up 16.4% on the PCP.

The strong revenue growth for the year was supported by prices rises (positively impacting Q4) and the high demand for our Original Juice Co. (OJC) and Juice Lab brands. However, continued fruit shortages hindered further growth.

The Juice Lab shots range contributed \$11.3m to total Gross Revenue, an increase of 47.1% over the PCP and continues to be a market-leading wellness beverage offering. This was supported by the addition of the Kids Shots range, as well as increased consumer demand. The Company is continually driving new innovation in the health and wellness space to grow the already successful Juice Lab brand.

### Gross Profit & EBITDA

Gross Profit for the period was \$11.3m, equating to 23% of Net Sales.

The loss before tax was \$6.4m for the financial year. Citrus supply shortage pressures and increases in overheads and labour costs saw the Company report an overall EBITDA loss of \$1.7m for FY2024.

### Cash & Balance Sheet

As of 30 June 2024, the Company had \$1.3m of cash at the bank and \$6.8m of drawn debt.

The company repaid \$1.3m of principal on its NAB Equipment finance loan during the year.

Operational cash outflow for the year was \$2.7m. To support this outflow and maintain the in-market growth strategy, the business raised \$5m from a key strategic investor to ensure cash challenges were met, and the Company was operational cash positive for the last quarter. The Company has also received a further \$3m of funding from NAB to support its working capital needs post year-end.

### Governance

The Company appointed a new independent Director, Ms Kerry Smith, in December 2023 following strategic investment from the Smith Family. Kerry was CEO of PFD Foods for 15 years and has led a workforce of 2,800 people, with over 25 years of experience in the food and distribution business and

adds invaluable expertise to the OJC Board.

### **Outlook**

The team at OJC remains committed to our previously communicated growth strategy, despite the challenges that arose throughout FY2024. The business continues to mitigate these challenges, they are not foreseen to be as impactful in the current financial year.

The business has worked exceptionally hard on mitigating the risk of reliance on citrus and exposure to fruit pricing. It has focused on driving change within the Company's operational model by reducing costs, improving supplier and internal efficiencies, increasing price on all SKUs, in particular significant increases on low margin SKUs. Maximising margin will be a key focus in FY2025, as well as product development and continued innovation in further non-citrus SKUs such as apple, pear and vegetable offerings.

This announcement was authorised by the Company's Board of Directors.

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### **About The Original Juice Co. Limited**

The Original Juice Co. Limited (ASX: OJC) is an Australian-based food processing company that uses a combination of conventional juice processing equipment and custom-developed equipment and processes to manufacture a range of high-quality juices, fibres, infused fruits and fruit waters that are sold as branded products or ingredients to customers domestically and overseas.

OJC uses a range of processing technologies, including Counter Current Extraction (CCE) technology which was developed in conjunction with Australia's CSIRO to extract juice from fruit and vegetables. Its processing facilities are located in Mill Park, Victoria.

OJC is aiming to generate shareholder value through exploring opportunities for growth in the functional food, beverage and nutraceutical markets in Australia and key international markets, including China.