

MAGGIE MB BEER HOLDINGS

ASX

MBH FY24 RESULTS

30TH AUGUST 2024



AGENDA

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The Right to Win	Penny Diamantakiou
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SUMMARY

FY24 HIGHLIGHTS



- Hamper and Gifts Australia (HGA) had a strong Christmas trading period leading to revenue increase of +8% in large due to solid corporate sales.
- Maggie Beer Products delivered solid revenue growth of +6.3%.
- New products and brand partners delivering incremental revenue: Maggie Living range, Maggie Beer Hampers, Corporate hampers, and Penfolds.
- Maggie Beer ranging and distribution of products in Cooking and Ice Cream delivering 16.3% and 50.5% growth vs. LY respectively.
- In-year category expansions serve as proof of concept of our group portfolio strategy using the **Right to Win** operating framework. This sets a strong foundation to execute the group product and channel strategy for FY25 and beyond.
- Technology roadmap including Shopify migration underway with new website for Maggie Beer pre-Christmas peak followed by The Hamper Emporium and Gifts Australia in Q3.
- Post balance date events:
 - Settlement of HGA earn out dispute
 - Decision on Paris Creek Farms as an asset held for sale.



PROGRESS

PROGRESS AGAINST FY24 STRATEGIC INITIATIVES TO BECOME AUSTRALIA'S LEADING PURVEYOR OF PREMIUM FOOD & GIFTING PRODUCTS

1

SCALE E-COMMERCE PLATFORM

- ✓ *Successfully executed Christmas plans delivering improved conversion, average order value, and customer repeat rates vs pcp*
- ✓ *Strong Corporate sales through personalised approach and improvements to corporate ordering platform*
- ✓ *Customer service focus delivered Net Promoter Score 71 and awarded the Canstar 2024 Award for Customer Satisfaction for the category "Online Gift Delivery"*
- ✓ *Launched new categories & partnerships in hampers and gifts in Q2 including Penfolds, Maggie Beer, and Grazing*
- ✓ *Focusing on conversion rate optimisation reducing friction in the purchase funnel for e-commerce platforms.*

2

RIGHT TO WIN WITH THE MAGGIE BEER BRAND

- ✓ *Refreshed marketing program with "Make it a Maggie Celebration" platform with major campaigns launched including digital, social, outdoor, and magazines*
 - ✓ *Expanded Maggie Beer Living range online, in hampers, and at David Jones*
- Retail growth through new product development and ranging:**
- ✓ *Portfolio of new Cooking products with in-year launches in FY24, and further launches planned for FY25*
 - ✓ *Stocks and Broths performed particularly well in H2*
 - ✓ *Hard Cheese achieved double-digit growth*
 - ✓ *Launch of ice-cream in Woolworths and Coles.*

3

OPTIMISE & UNIFY ASSETS

- ✓ *Cost Optimisation Initiatives commenced with accelerated focus in FY25 across the group*
- ✓ *Group focus on range simplification and revenue synergies.*
- ✓ *As a business, we aspire to give our customers more choices and enable them through our investment in technology especially as they move effortlessly between digital platforms and real-world interactions.*
- ✓ *From in-store visits to email campaigns and web/mobile experiences, our aim is to deliver touchpoints that represents a holistic experience in customers' minds through omini-channel model.*
- ✓ *Post balance date - Appointment of advisor to sell PCF*



FINANCIALS

FY24 SNAPSHOT OF FINANCIAL RESULTS¹

Underlying results consistent with update at 28 June 2024

NET SALES	TRADING EBITDA ¹	TRADING EBITDA MARGIN % ⁴	BALANCE SHEET
<div>\$89.4m</div> <div>+0.8% vs. FY23</div> <div>MBP +6.3%</div> <div>HGA +0.7%</div> <div>PCF (9.5%)</div>	<div>\$0.3m</div> <div>(\$2.9m) vs. FY23</div> <div>Movement made up of:</div> <div>(\$0.6m) at GM (\$2.3m) in</div> <div>CODB²</div> <div>\$2.3m (exc PCF)</div>	<div>0.3% (inc PCF)</div> <div>3.1% (exc PCF)</div>	<div>\$4.7m</div> <div>Cash & no debt³</div>

¹ Trading EBITDA is a non-IFRS measure as defined in the Directors' Report

² Cost of Doing Business

³ Only asset-backed leases/debt

⁴ Trading EBITDA Margin % based on Reported Trading EBITDA including {CF and Reported Trading EBITDA excluding PCF.

FY24 FINANCIAL YEAR RESULTS

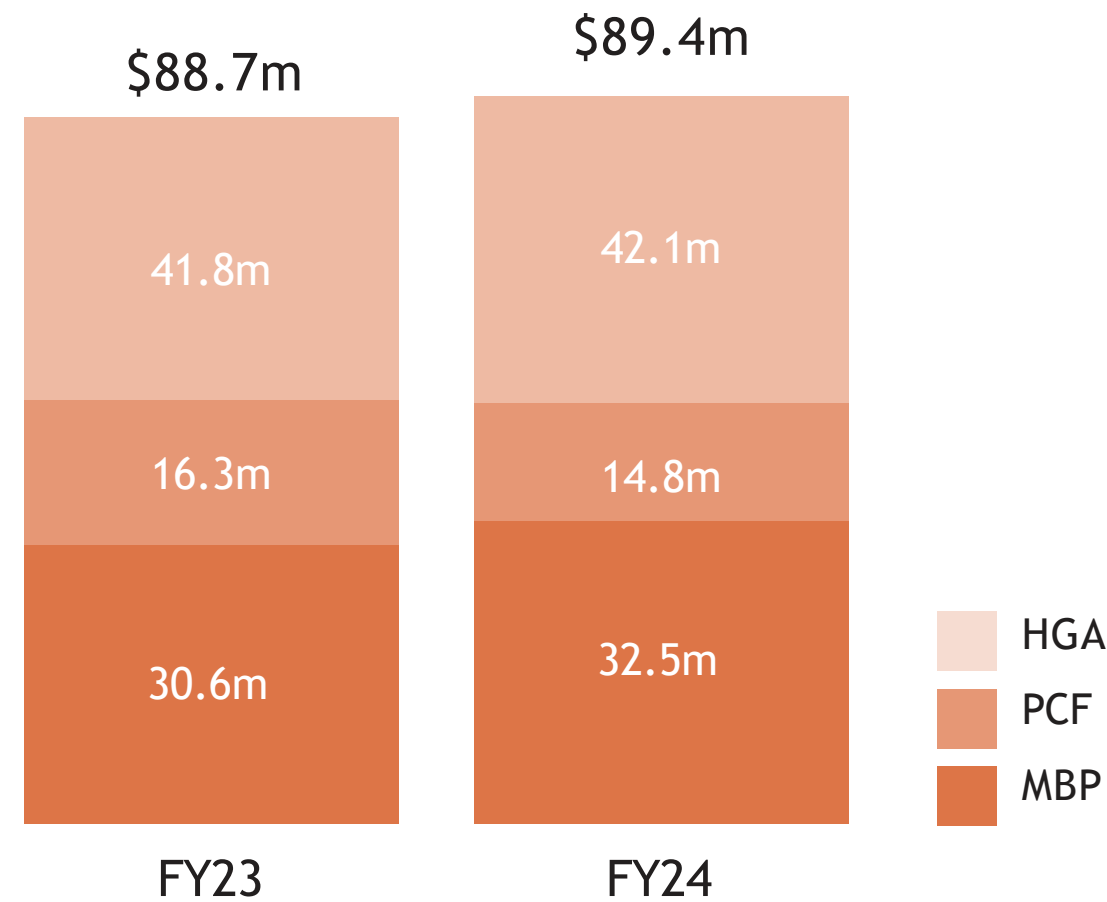
(\$'000)	FY23	FY24	Change
Net Sales	88,706	89,389	0.8%
Gross Margin \$	44,608	43,960	-1.5%
Gross Margin %	50.3%	49.2%	-1.1 pts
Trading EBITDA	3,219	291	-91.0%
% of Net Sales	3.6%	0.3%	-3.2 pts
EBITDA (Statutory)	4,382	(21,907)	
NPAT (Continuing)	766	(28,239)	
NPAT (Discontinued) ¹	(328)	-	
OCI	24	-	
Reported Profit /(Loss)	462	(28,239)	

¹ FY23 NPAT Discontinued relates to St David Dairy trading prior to disposal.

- Revenue up 0.8%, retail and online up 0.7% and 0.8% respectively.
- Gross Margin impacted by delayed price recovery of input cost increases, shifting channel & product mix and inventory write offs. Initiatives implemented to improve GM in H2 vs. H1:
 - HGA from 55.4% to 57.4% +2.0pts
 - MBP online from 46.6% to 56.7% +10.1pts
 - MBP retail from 41.7% to 39.3% (0.2pts)
- CODB increase due to advertising and labour costs:
 - MBP - One-off investment for brand building in Q2 and higher level of investment in supermarket retail activation to support increased distribution
 - HGA- increased online advertising costs due to increased competition in a declining market
 - Labour increase at HGA to improve e-commerce capability partly offset by MBP savings and production efficiencies
- Trading EBITDA of \$291k includes ~(\$2.0m) of PCF losses
- Statutory EBITDA includes the impairment of Goodwill at HGA (\$13.8 million), impairment of PCF (\$4.4 million), provision for earnout including settlement and legal fees (\$2.6 million) for HGA and PCF onerous contract provision (\$0.8 million)

NET SALES REVENUE & GROSS MARGIN

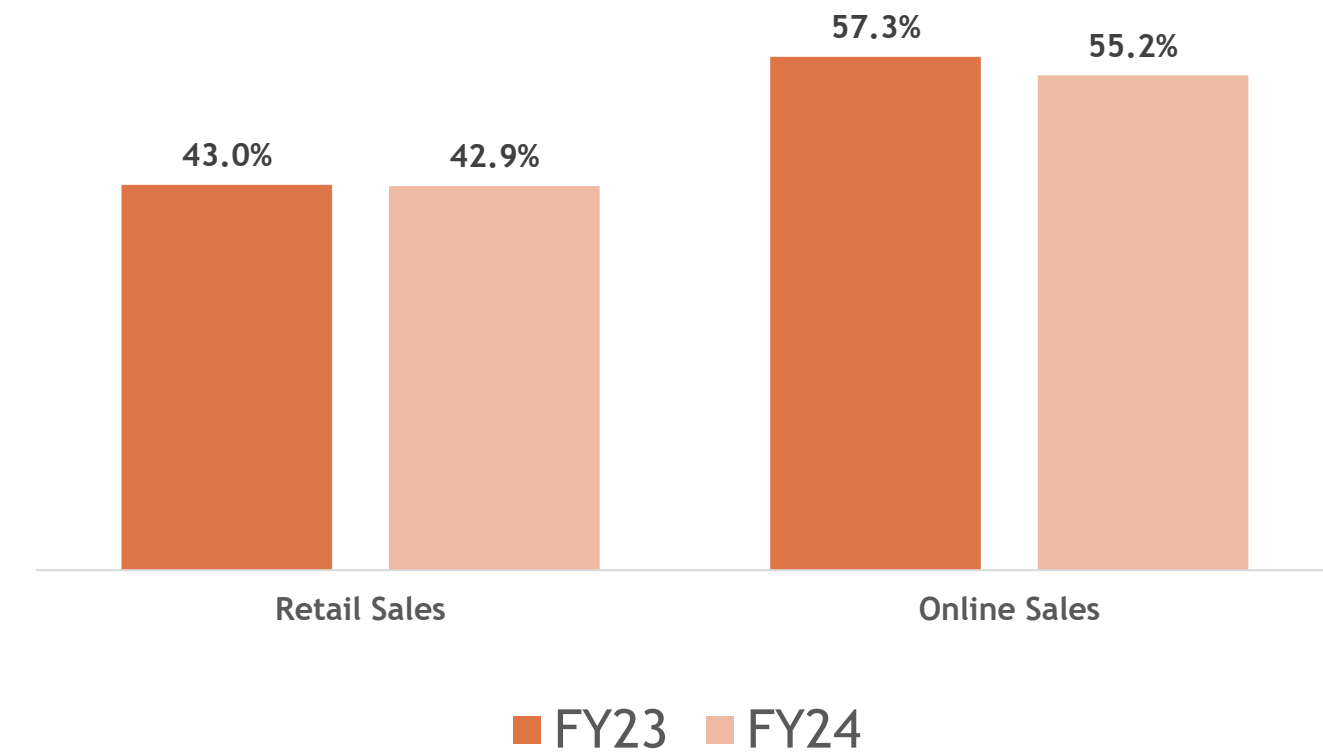
NET SALES REVENUE BY ENTITY



Variance to LY of \$0.8m:

- MBP up 6.3% and HGA up 0.7% and PCF down (9.5%)
- Sales product mix is consistent with prior year.

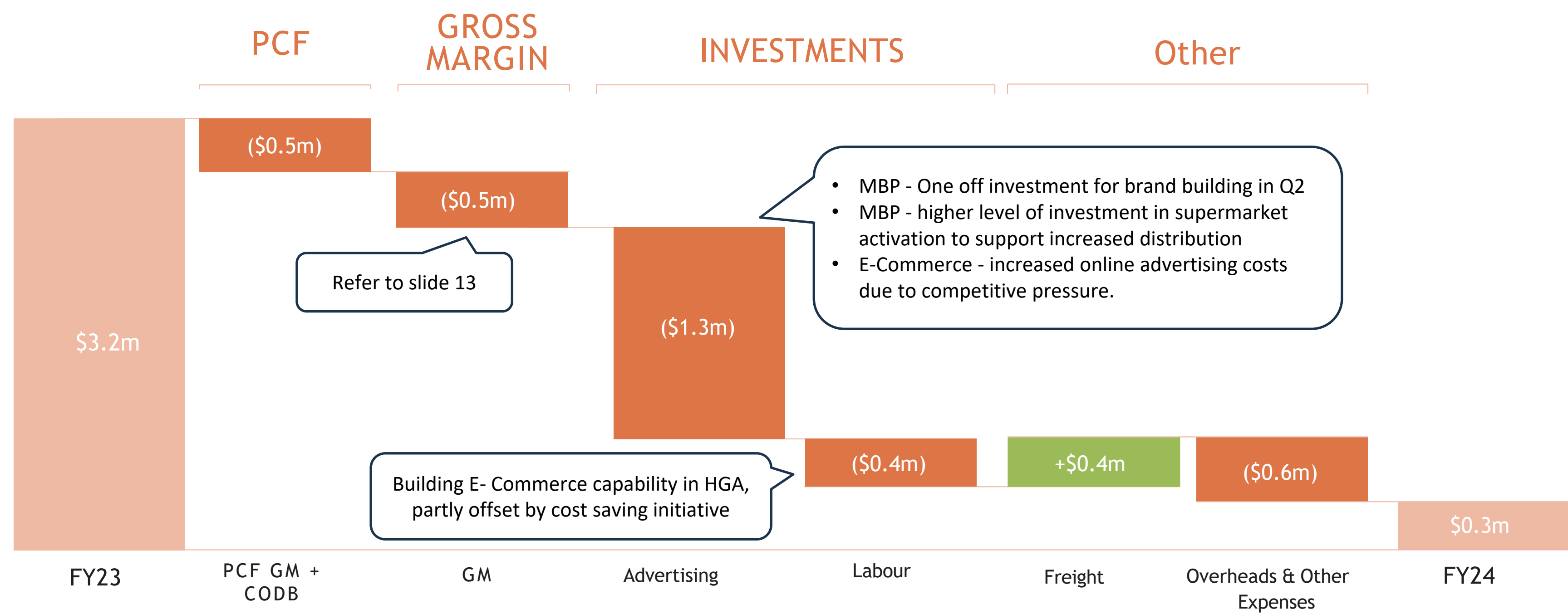
GROSS MARGIN BY CHANNEL



- Gross Margin in the retail channel consistent with LY
- Online Gross Margin down 2.1 pts due to H1 cost increases not recovered due to competitive environment
- Online Gross Margin addressed in H2 through price increases leading to improvements from H1 54.7% to H2 57.4%.

FY24 TRADING EBITDA*

YOY Trading EBITDA decline due to increased advertising given competitive market and cost increases not recovered in H1. Excluding PCF, Trading EBITDA \$2.3m



*Trading EBITDA Excludes: Redundancies, PCF cheese project Salaries, Onerous contracts, HGA Earnout fees and HGA and PCF Impairment

BALANCE SHEET AND CASHFLOW

(\$'000)	30-Jun-23	30-Jun-24
Assets		
Cash	9,355	4,710
Trade receivables	7,534	7,902
Inventory	14,028	12,295
Right of Use Asset	7,448	3,836
PPE	13,198	8,466
Goodwill	32,012	18,262
Other intangibles	15,568	13,212
Assets held for sale	-	-
Other assets	4,795	7,259
Total assets	103,938	75,942
Liabilities		
Trade and other payables	8,943	8,334
Financial liabilities*	7,928	8,621
Other liabilities	1,326	1,217
Total liabilities	18,197	18,172
Net Assets	85,741	57,770

- \$4.7m cash and no debt.
- Goodwill includes \$13.8m impairment of HGA.
- PPE includes \$4.4m impairment of PCF assets.
- Right of use (ROU) & Other assets includes reclass of part of NSW warehouse sublease.
- Net tangible assets decreased by \$10.2m to \$28.0m.
- Except for lease liabilities, the Group has no non-asset backed interest-bearing liabilities.

(\$'000)	30-Jun-23	30-Jun-24
Receipts from customers	92,224	93,613
Payments to suppliers and employees	(85,561)	(94,447)
Net cash from operating activities	6,663	(834)
Net cash used in investing activities	(1,026)	(1,745)
Net cash used in financing activities	(7,083)	(2,066)
NET CASH FLOW	(1,446)	(4,645)

- Negative operating cashflow of \$0.8m generated in FY24 with trading EBITDA of \$3.0m, \$3.0m lower inventory levels vs PY and \$1.4m more payables vs PY.
- Financing activities in FY24 consists of lease liability repayments and interest.
- MBH is capital light, with no debt.

FY24 SNAPSHOT BY ENTITY

(\$'000)	FY23	FY24	Change
MBP			
Net Sales*	30,587	32,506	6.3%
Gross Margin	13,279	13,477	1.5%
GM %	43.4%	41.5%	-2.0 pts
HGA			
Net Sales*	41,811	42,123	0.7%
Gross Margin	24,151	23,496	-2.7%
GM %	57.8%	55.8%	-2.0 pts
PCF			
Net Sales*	16,308	14,760	-9.5%
Gross Margin	7,178	6,987	-2.7%
GM %	44.0%	47.3%	3.3 pts
Total			
Net Sales*	88,706	89,389	0.8%
Gross Margin	44,608	43,960	-1.5%
GM %	50.3%	49.2%	-1.1 pts

* Net of intercompany sales

MBP

- Cooking: up +16.3%, led by growth in Stocks & Broths.
- Dessert: up +50.5%, launch of Ice Cream in supermarkets.
- Entertaining: down (4.7%) cost of living challenges impacting discretionary spend
- MBP GM% down due to channel & product mix and increased inventory write offs.
- H2 GM improved vs. H1 in MBP online from 46.6% to 56.7% +10.1pts offset by MBP retail from 41.7% to 39.3% (2.4pts).

HGA

- HGA net sales increased by +0.7%.
- Sales increase driven by NPD, new partnerships, and marketing program optimisation.
- HGA GM% decreased by 2.0 pts, due to H1 cost increases that were not recovered through price increases until H2. H2 GM improved vs. H1 (from 55.4% to 57.4%).

PCF

- Sales lower milk supply driving (9.5%) lower sales than PY.





THE RIGHT TO WIN

RIGHT TO PLAY
and
ABILITY TO WIN



THE EVOLUTION OF MBH

OUR RIGHT TO WIN

Leveraging our brands & unique platform

Today

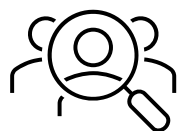
Tomorrow

Owned Brands



Everyday Premium Food & Gifting Brands and Strategic Partnerships

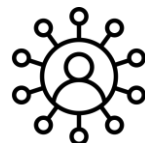
Our Digital Assets



B2C & B2B customers



Scale & execute brands across audiences and customer base



Omni-channel Expansion



Portfolio Approach

Our Unique Capability



Strategic Brand Management



Product R&D



Core food occasions



Core gifting occasions



Data & Analytics



Owned & Partnered Brand Assets



Customer Personalisation



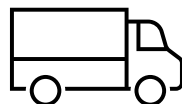
Supermarkets capability



Omni-Channel Platforms



Owned warehousing & fulfillment



Partnered logistics



Procurement Strength

Our Infrastructure

FY25 PRIORITIES

1

- Continuing to build the foundations for a financially sustainable and profitable business
- Executing on the recommendation regarding Paris Creek Farms
- Repoint investment to areas of growth and profitability

2

- Lifting customer experience through the scaling of the e-commerce platform
- Continue delivering financial growth and value from our Australian leading brands and high-quality products
- Investing in the success and rapid growth of our B2B business

3

- Turbo-charge Christmas with compelling and innovative products to market
- Launch "Everyday Premium" with the view to create a sustainable business model all year round

4

- Deliver on our commitment to simplify our operations and improve our productivity
- Execute on synergistic opportunities within the group to form one ecosystem

5

- Launch FY25 portfolio & product expansion plans in market across strategic occasions
- Future proofing innovation pipeline for FY26 & beyond
- Execute channel strategy



LEADERSHIP TEAM

MAGGIE BEER PRODUCTS



Highly analytical commercial strategy & operations leader with core FMCG management & finance experience.

Ex: Goodman Fielder, GlaxoSmithKline, Coca Cola

Laila Khalid

- Driving portfolio, revenue and profit growth in food & beverage manufacturing companies through action-based insights.
- Tapping into experience from global multinationals to bring strategic management, growth mindset and process optimisation to the team.
- Insights & analytics driven decision maker with a focus on capturing end-to-end impact.
- Cross-functional leadership & business partnering to drive company-wide growth.

E-COMMERCE & BRAND PARTNERSHIPS



Seasoned e-commerce and retail leader with a track record in brand building and business growth

Ex: The ICONIC, Zala, Showpo

Sam Reece

- Driving e-commerce growth and digital transformation in founder-led, PE-backed companies, with a focus on leading product development, enhancing brand presence, and managing operations for seamless customer experiences and strong financial results.
- Leveraging experience with Australia’s top DTC brands to inform creative marketing, strategic management, and data-driven decision-making.
- Inspiring and developing cross-functional teams to achieve shared goals.

Group COO & CFO



Highly experienced ASX and Private Equity Digital, Tech & Media CFO/COO

Ex: Yahoo7, Optus, WooliesX, Nearmap

Penny Diamantakiou

- Providing strategic and operational leadership within rapidly growing ASX listed businesses.
- Driving optimal financial and operational results.
- Acquiring & integrating new businesses, preparing businesses for sale, and creating new strategic pathways.
- Inspiring and developing highly capable, diverse teams
- Leading change and quickly mobilising teams to enact a change agenda.
- Developing data, insights, and analytics to drive informed customer conversations and change agendas.

IN CLOSING

Our primary focus is returning the business to profitability and capitalising on our unique assets and capabilities:

1. An iconic Australian Brand and
2. A leading Online Gifting Business

Deliver on our Vision: ***To become Australia's leading purveyor of premium food and gifting products***

Our Strategy includes:

1. Lifting the customer experience and engagement through the scaling of the e-commerce platform.
2. Focus on the B2B strategy and product innovation.
3. Implement the Maggie Beer product strategy within the **Right To Win Framework**.
4. Develop our brand partnerships.





Q & A

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END OF PRESENTATION

Appendix 1 - Trading EBITDA to NLAT

Trading EBITDA to NLAT (\$'000)		
	FY24	FY23
EBITDA - Trading	291	3,219
Non-Trading		
Impairment	18,329	12,500
Onerous contract	797	-
Earnout reversal	-	(14,000)
Dispute settlement	2,609	-
Share based payment expense(credit)	267	(370)
Other non trading	195	708
EBITDA - Statutory	(21,907)	4,381
Finance Costs	251	130
Depreciation expense	2,957	2,356
Amortisation expense	3,123	2,507
Net Profit/(Loss) before Tax	(28,239)	(612)
Income Tax Expense	-	(1,378)
NLAT - Continuing Ops	(28,239)	766