

Noumi Limited (ASX: NOU)

Quarter ended 30 September 2024 Quarterly Activities and 4C Report:

Noumi Limited (**ASX: NOU**) (**Noumi** or the **Company**), a leading Australian FMCG company with a mission to create quality, on-trend, responsibly produced dairy and plant-based milks, nutritional products and ingredients, today releases its Appendix 4C Quarterly Cash Flow Report for the quarter ended 30 September 2024 (unaudited) and is pleased to provide the following update on the Company's financial and operating performance.

Q1 FY25 key features:

- Consolidated Q1 FY25 revenue of \$149.1 million was up \$3.7 million or 2.6% compared to Q1 FY24.
- Plant-based Milks Q1 FY25 revenue of \$47.5 million was up \$3.5 million or 8.0% compared to Q1 FY24.
- Dairy and Nutritionals Q1 FY25 revenue of \$101.6 million was up \$0.2 million or 0.2% compared to Q1 FY24.
- Q1 FY25 positive operating cash flow of \$9.0 million. This includes ASIC, US litigation and other legal expenses of \$4.2 million, which in cash terms are partially offset by \$1.7 million in proceeds received from the release of the term deposit securing the Company's obligation under US litigation.
- As at 30 September 2024, the Company's unrestricted cash position was \$12.8 million, with undrawn facilities of \$18.0 million. Combined unrestricted cash at bank and undrawn facilities total \$30.8 million.

Current trading

- Global dairy conditions continue to create challenges for Noumi's long-life dairy milk export sales and bulk commodities. Although expected, a reduction in export sales of 32.5% in the latest quarter compared to Q1 FY24 adds to a challenging outlook for Noumi's dairy operations.
- Plant-based Milks revenues continue to grow led by domestic retail (both branded and private label) and export initiatives.
- Noumi remains cautious about the macro-economic environment and consumer spending in Australia in particular.

Business performance

Plant-based Milks

A leading producer of long-life plant-based products including almond, soy, oat, coconut, macadamia milk and liquid stocks.

The Plant-based Milks segment continued to grow, with revenue for Q1 FY25 of \$47.5 million up \$3.5 million or 8.0% compared to Q1 FY24. This growth reflects the benefit of Noumi's key initiatives, and reinforces the benefits of Noumi's diversified channel mix across branded, out-of-home and private label.

Revenue in the domestic retail channel was up \$4.0 million or 25.9%, reflecting the first full quarter of Noumi's Milklab in retail expansion launched in Q4 FY24 as well as growth in private label revenue. Out-of-home revenue was softer in the current quarter.

The Milklab brand continued to grow with plant-based sales up \$1.8 million or 6.1% in Q1 FY25 compared to Q1 FY24.

Export revenue was up \$0.6 million or 18.6% compared to Q1 FY24

Dairy and Nutritionals

A leading producer of long-life dairy milk, nutritional products and performance powders.

Total Dairy and Nutritionals revenue increased to \$101.6 million, up \$0.2 million or 0.2% compared to Q1 FY24, largely reflecting the positive impact of higher prices in domestic retail markets to offset the significant rises in farmgate milk prices that applied for the full FY24 year, as well as volume increases.

Dairy long-life sales to domestic retail customers were up 15.5% compared to Q1 FY24, with out-of-home channel sales up 7.1%, mostly reflecting growth in Milklab lactose free. As expected, given industry conditions dairy long-life sales to export markets were down 32.5% compared to Q1 FY24.

As noted previously, commodity prices for products such as bulk cream were weak in FY24, impacted by global market conditions. Bulk cream revenue in Q1 FY25 was up 6.1% compared to the same quarter in FY24, reflecting increased volumes rather than price. Sales of surplus milk were \$4.4 million for Q1 FY25, with no sales recorded in Q1 FY24.

Consumer Nutritionals sales were up 3.3% compared to Q1 FY24, with new products driving growth in Vital Strength, where sales were up 11.4% compared to Q1 FY24. This was offset by lower sales of Uprotein and Crankt products.

Total Nutritional Ingredients sales were down 0.9% compared to Q1 FY24, with lactoferrin sales down 7.5%, largely reflecting a large one-off sale in the previous corresponding quarter. This was offset by Other Nutritional Ingredients sales up 11.9%.

Appendix 4C cashflow report – released with this activity report

- Q1 FY25 operating cash flow was \$9.0 million. This includes ASIC, US litigation and other legal expenses of \$4.2 million, which in cash terms are partially offset by \$1.7 million received from the release of the term deposit securing the Company's obligation under US litigation.
- Capital expenditure investments of \$0.8 million in property plant and equipment were recorded during Q1 FY25.
- The Company made cash payments of \$4.6 million on the Convertible Notes in respect of the quarter ended 30 September 2024. This was in accordance with the terms on which the Convertible Notes were issued, which did not require any cash returns until the end of 2023 calendar year.
- These payments are akin to cash interest on the Convertible Notes, however the Convertible Notes are carried in the Company's balance sheet at fair value (\$345.0 million at 30 June 2024) and accordingly the payments are treated as debt repayments in the accompanying quarterly cash flow.
- Based on the current terms of the Convertible Notes, the fair value is expected to increase over the remaining term to reach a minimum value of \$603.1 million by the

maturity date in 2027, being the redemption value at maturity assuming the Company continues to pay the cash interest at the rate of 5% per annum each payment date. As at 30 September 2024 the redemption value of the Convertible Notes was \$522.3 million.

- At Q1 FY25 close, the Company had \$473.7 million of available finance facilities, of which \$455.7 million was drawn.
- In addition to the cash payments referred to above, the Company elected to pay interest-in-kind amounting to \$3.2 million on Convertible Notes for Q1 FY25, of which \$1.4 million is attributable to related party investors.

Related party payments – Current Quarter (July 2024 to September 2024)

Payment to	Nature of Payment	Amount (A\$)
Independent Directors	Director fees	138,768
Non-Independent Directors	Director fees	81,998
Michael Perich – CEO	Employment costs*	550,471
Australian Fresh Milk Trading P/L	Milk purchases	3,714,917
Perich Property Holdings P/L	Rent and outgoings	1,034,620
Perich Property Unit Trust	Rent and outgoings	2,219,957
	Q1 FY25 sub-total#	7,740,731
Independent Directors	Convertible notes	4,332
Non-Independent Directors	Convertible notes	1,987,809
	Q1 FY25 Total	9,732,872

*Includes FY24 incentive payments

#Aggregate amount of payments to related parties and their associates included in item 1 of Appendix 4C.

Details of payments to related parties of the entity and their associates in item 6 of Appendix 4C have been solely assessed in accordance with Australian Accounting Standards.

Note to Market

None of the information included in this announcement should be considered individually material, unless specifically stated. All figures in this announcement are provided on an unaudited basis.

This Company presentation may include certain statements, estimates or projections with respect to the anticipated future performance of the Company, and any ongoing or future projects or both. Those statements, estimates or projections are based on assumptions about future events and management actions that may not necessarily take place and are subject to significant uncertainties, many of which are outside the control of the Company. Those assumptions may, or may not, prove correct. No representation is made as to the accuracy of those statements, estimates or projections.

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The release of this announcement was authorised by the Board of Directors.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Noumi Limited

ABN

41 002 814 235

Quarter ended ("current quarter")

30 September 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers		149,865	149,865
1.2 Payments for			
research and development		(77)	(77)
product manufacturing and operating costs		(112,991)	(112,991)
advertising and marketing		(5,721)	(5,721)
leased assets		(2,313)	(2,313)
staff costs		(10,337)	(10,337)
administration and corporate costs		(3,790)	(3,790)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		352	352
1.5 Interest and other costs of finance paid		(1,827)	(1,827)
1.6 Income taxes paid		(1)	(1)
1.7 Government grants and tax incentives		-	-
1.8 Other (legal and US litigation costs)		(4,161)	(4,161)
1.9 Net cash from / (used in) operating activities		8,998	8,998
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
entities		-	-
businesses		-	-
property, plant and equipment		(759)	(759)
investments (security deposit)		-	-
intellectual property		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	other non-current assets (software)	-	-
2.2	Proceeds from disposal of:		
	entities	-	-
	businesses	-	-
	property, plant and equipment	-	-
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (proceeds from security deposit)	1,686	1,686
2.6	Net cash from / (used in) investing activities	(927)	(927)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(11,340)	(11,340)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease payments)	(405)	(405)
3.10	Net cash from / (used in) financing activities	(11,745)	(11,745)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	14,591	14,591
4.2	Net cash from / (used in) operating activities (item 1.9 above)	8,998	8,998
4.3	Net cash from / (used in) investing activities (item 2.6 above)	927	927

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11,745)	(11,745)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,771	12,771

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	12,771	12,771
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,771	12,771

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	7,741
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	473,651	455,651
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	473,651	455,651
7.5	Unused financing facilities available at quarter end		18,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

7.6 Loan Drawn Facilities		000's	Average Interest Rate	Latest Maturity Date	Secured/ Unsecured
Recourse Debtor Finance Facilities					
HSBC		14,487	7.85%	rolling 6 months	Secured
Convertible Notes					
Various ¹		365,785	8.50%	27-May-27	Secured
Revolver Finance Facilities					
HSBC & NAB		28,000	8.77%	4-Jul-25	Secured
Finance Leases					
NAB		38,538	4.66%	Feb-27	Secured
Tetra Pak		5,458	4.50%	Jan-27	Secured
Energy Ease		2,483	6.52%	Mar-27	Secured
ChemClean		547	5.37%	Jul-25	Secured
Toyota		354	3.25%	Jun-25	Secured
		455,651			

¹The carrying amount of the convertible notes recorded on 30 June 2024 statutory accounts in accordance with the accounting standards is \$345.0m. The above-mentioned loan facilities amount contains principal of \$292.0m and capitalised interest (Paid in Kind) on the convertible notes at 30 September 2024 of \$73.8m.

Based on the current terms of the convertible notes, the fair value of the notes is expected to increase over their remaining term from the value at 30 June 2024 of \$345.0m to reach a minimum value of \$603.1m by maturity date, being the redemption value at maturity assuming the Company continues to pay the cash interest at the rate of 5% per annum each payment date. This means that the fair value adjustments will amount to \$258.1m over the remaining 35 months to maturity. This amount will be recognised in the consolidated statement of profit and loss over the period, in addition to the cash interest paid.

As at 30 June 2024, the redemption value of the notes was \$526.8m.

The Group's primary bank facilities are with HSBC Bank Australia Limited (HSBC) and National Australia Bank (NAB). They include an undrawn \$18m syndicated facility, equipment financing facilities (NAB) and debtor financing facilities (HSBC). The Group also has other bi-lateral equipment finance facilities from a number of financiers and other general transactional banking facilities.

8. Estimated cash available for future operating activities		\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	8,998
8.2	Cash and cash equivalents at quarter end (item 4.6)	12,771
8.3	Unused finance facilities available at quarter end (item 7.5)	18,000
8.4	Total available funding (item 8.2 + item 8.3)	30,771
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2024

Authorised by: 
The Board of Directors