

ASX Announcement

Maggie Beer Holdings Limited
(ASX:MBH)

26 February 2025

1H FY25 RESULTS

- **MBH achieves H1 FY25 top-line growth of 5.8%**
- **Company targets improvement in profitability with operational cost savings of up to \$4 million annualised**

Maggie Beer Holdings Ltd (**MBH** or the **Company**) today announced its financial results for the half year ended 31 December 2024 (**H1 FY25**).

The Company returned to top-line growth in the first half with continuing operations up 5.8%, reflecting stronger trading momentum. Hamper sales were up 6% on the previous corresponding period (**pcp**) with Maggie Beer Products net sales also up 5% on the pcp.

“Operationally the Company is delivering on material improvements in key financial measurements including sales growth, inventory reduction, working capital and margin,” said Chairman Mark Lindh.

“The financial focus in the second half will be on delivering targeted annualised cost reductions of up to \$4 million to improve earnings in both the short and longer term whilst maintaining continued growth in the revenue of both the E-Commerce Hampers and South Australian headquartered business units.”

Following its February 5th update to the ASX, the Board confirms it is forecasting to deliver annualised cost reductions in the range of \$3.5 million to \$4 million. This is through the simplification of its operations including organisational structure, group margin improvements, labour alignment, along with overhead and inventory management. Continued operations targets annualised gross margin saving of \$1.5 million and Cost of Doing Business savings of \$2.0 million to \$2.5 million.

These savings do not include Paris Creek Farm, which is already demonstrating improved gross margins and improved operating cash flow following initiatives implemented during the half.

“The focus is on Cost of Doing Business whilst continuing to drive top-line growth. We have also hired experienced executive and former MBH CEO Chantale Millard in a short-term key advisor role for the South Australian businesses, whilst we recruit a permanent head.” said Mr Lindh.

Summary highlights for H1 FY25 include:

- Top-line Growth from continuing operations of +5.8% reflecting a strong base business.
- Gross Margin from continuing operations remains flat at 50.9%, while Gross Margin (\$) increased 5.8%.
- EBITDA from continuing operations declined \$0.6 million pcp, while improvement in EBITDA loss from PCF of +\$0.4million pcp.
- **Hamper and Gifts Australia** - Net sales +6% pcp with Hamper Emporium B2B growth of +14.9% offset slightly through decline of B2C at (3.5%) through increased focus on B2B customer. Gross margin slightly declined as Core Hamper growth drove volume increase at a lower-than-average margin. EBITDA declined as a result of increase in fixed cost labour while variable costs increase in line with sales (marketing and freight).

- **Maggie Beer Products** - Net sales +5% pcp with growth predominately in 3P products, as MBP based products and Online sales being relatively flat in terms of growth. Greater sales of 3P, lower margin products lead to lower overall margin. EBITDA declined as a result of increase in fixed cost labour, and increase Manufacturing costs including Utilities and R&M.
- **Paris Creek Farms** - Net sales decline -5% pcp with reduction in intercompany sales, key export going into administration and loss of customer. SKU rationalisation and less bulk milk sales drove improvement in gross margin, while reduction in labour and manufacturing improved the EBITDA loss.
- **Corporate costs** are a strategic focus of the group and are being evaluated.
- Launch of the **Maggie Beer Website** to improve user experience, with Hampers and Gifts website improvements to follow in H2.
- **Cash** including security deposits totalled \$11.1m, adjusted cash balance adding back the one-time HGA settlement and fees totalled \$13.8m.
- Overall **balance sheet** remains strong at \$53.3 million, improvement in working capital with inventory holdings down 20% pcp to \$10.0m from \$12.6m and improved terms with key vendors.
- Refined **cost base** in H2 with fresh board direction and a formalised structure with simplified operating systems.

The Company is pleased to report that on a continuing operations basis, its results for 1H FY25 are as follows:

Continuing Operations	1H FY25	1H FY24	CHANGE (\$M)	CHANGE (%)
Total sales (\$M)	54.4	51.5	3.0	5.8
Gross Margin (\$M)	27.7	26.2	1.5	5.8
EBITDA (\$M)	3.0	3.6	-0.6	-16.8
Underlying EBITDA (\$M) ¹	3.6	3.8	-0.2	4.1
Gross Margin (%)	50.9	50.9	0	-

-Ends

Authorised for release by the Board.

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¹ Underlying includes AASB16 adjustments and non-recurring \$0.3m recruitment costs.