

## ASX ANNOUNCEMENT

ASX: BFC

22 JUNE 2023



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### INTENTION TO DISCONTINUE AND DIVEST NON CORE BUSINESSES

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Beston Global Food Company (ASX:BFC) (**Beston** or the **Company**) advises that it intends to discontinue and divest its Provincial Food Group (PFG) meat and plant-based meats secondary process business, its Aqua-Essence water assets and business and its Technology business.

The sudden and dramatic escalation in inflationary pressures in Australia over recent months (particularly around energy prices, insurance costs and interest rates) has caused Beston's Board and Management team to refresh the Company's strategy from a growth ambition based around manufacturing and supplying a range of food and beverage products to an intense focus on profitability based around its value-add Dairy and Dairy nutraceuticals business. Accordingly, the Company intends to discontinue and divest its meat and plant-based meat processing operations in Shepparton, Victoria, its water bottling production assets, land and water licenses in Mt Gambier, South Australia and its Beston Technology business.

The decision will enable BFC to focus all of its resources and efforts on its Dairy and Dairy Nutrition business where the Company has built world class capabilities and capacity.

Over our short history, BFC has achieved a number of significant milestones in its Dairy business. BFC has established itself as South Australia's largest Dairy processor, accounting for over 30% of the State's total milk production and contributing over \$100million annually in milk payments to Dairy farmers. The refreshed focus on becoming "Australia's leading sustainable and value-add Dairy Company" through the discontinuance and divestment of its Meat, Water and Technologies businesses, will enable BFC to focus on its most profitable and largest business segment and more easily weather the cost / price pressures impacting on the Company (as with most other companies in our supply chain). On a standalone basis, BFC's Dairy business is set to deliver sales of over \$170 million and Trading EBITDA<sup>(a)</sup> of approximately \$5million in FY23.

The Chief Executive of BFC, Mr Fabrizio Jorge, said:

“ The decision of the Board and Management to discontinue and divest our PFG, Aqua-Essence and Technology businesses is not something that we have taken lightly, but reflects the direct recognition of a need to play to our strengths as a value-add Dairy processing and Nutrition business in addressing the challenges presented by the inflationary environment now prevailing in Australia, as well as the ever growing expectations of the markets, channels and customers we service.”

“The decision will enable Beston to accelerate our profitability, and our cash flows,” he said.

BFC is in the process of appointing appropriate advisers to assist with these business and asset divestments. The proceeds of any divestments will be used to pay down debt.

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(a) Trading EBITDA excludes the impact of abnormal costs.

**This ASX release was approved and authorised for release by the Board of Beston Global Food Company Limited**

**BESTON**  
GLOBAL FOOD COMPANY



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