

ASX Announcement
30 October 2019

Longtable Group Limited – Managing Director and CEO Transition

Longtable Group Limited (LON:ASX) today announced that Laura McBain has informed the Board of her intention to step down as Managing Director and Chief Executive Officer, as well as from the Board of Directors. Laura has agreed to assist with the transition that will be required as a consequence of this change.

Longtable is pleased to be able to announce that Chantale Millard has agreed to accept the position of Acting CEO.

In announcing the decision, Chairman of Longtable Group, Tony Robinson, said: “Laura has done a tremendous job over the past two years putting together three premium food and dairy brands, building an experienced FMCG team, and laying the foundations for the Company’s growth in Australia and into overseas markets. Maggie Beer, Paris Creek Farms and Saint David Dairy are unique brands and the Board continues to believe that they provide strong growth opportunities ahead.’

In making her decision, Laura McBain said: “This has not been an easy decision given how much I love the portfolio of Australian premium food and dairy brands we have developed, and importantly the values those brands stand for. We have successfully turned around the performance of Maggie Beer Products, are well progressed on the turnaround of Paris Creek Farms, and are pursuing exciting growth opportunities at Saint David Dairy remain solid with double digit sales growth and continuing double digit EBITDA margins.”

“With the really hard work now done, the business is in good shape moving forward, with Longtable Group set to return to positive trading cash flow as planned. As a result, I believe now is a good time for me to consider career opportunities with larger enterprises. I have been fortunate to build relationships with the founders of Longtable Group’s three amazing brands and look forward to seeing their continued success under new leadership.”

Business performance

Longtable Group’s ambition remains to build a house of brands in lifestyle food and beverage for meeting the evolving ways in which we live, work and eat. The Company’s aspiration to grow revenues to more than \$70 million and Group EBITDA margin % to low double digits by FY22 remains, and the Company’s performance in the financial years to date continues its trajectory towards this aspiration.

Maggie Beer Products

Maggie Beer business through to September 2019 has delivered Trading EBITDA of above 10%. Recently, the business launched a range of plant based meals with independent stores, capturing the trend of new and innovative meal solutions for consumers. Demand for the cheese ranges remain strong, and the business has been busy preparing for the Summer and Christmas period, which traditionally contributes significantly to sales revenue.

The Maggie Beer team continue to work on new product innovations with a number of new products targeted to be released to the market in the new year. Many of these will continue to integrate the manufacturing capabilities of Paris Creek Farms in yogurts, cheese and butter.

Paris Creek Farms

The turnaround at Paris Creek Farms is continuing with a cost-out strategy, improving manufacturing efficiency and increasing sales. Sales for Q1 FY20 have increased by 12% compared to the same time last year and the business is on track to reach its goal of generating a positive EBITDA by the end of this financial year.

In addition, a new nutritionally enhanced milk for Children has been developed and is aimed for launch in the early new year. This product will be the world's first nutritionally enhanced biodynamic organic milk and is designed to improve nutrition outcomes for young children with a specially designed formulation. The launch of this range will significantly increase the brand reach and has potential for both Australian and overseas export markets.

Saint David Dairy

Saint David Dairy sales have continued to grow, up 16% for the first quarter compared to the same time last year. The impact of the supply side price increases in the dairy sector have contributed to pressure on margins, which is consistent with the dairy industry's experience more generally. A new fleet of trucks is being acquired that will contribute positively to EBITDA as a result of improved labour efficiencies, reduced repair costs for servicing the old fleet, and fuel savings from newer technology.

The Saint David business continues to deliver double digit EBITDA margins, and the focus on sales growth together with continuing efficiency improvements will ensure the its growth strategy story continues.

Chair Update

We are continuing our process of appointing a new Chair and will update shareholders on this in due course.

Outlook

The Board remains confident of the outlook for the business reflecting the confidence in both the foundations that Laura McBain has laid and the ability of Chantale Millard to optimise the outcome available as we build on those foundations.

For enquiries please contact:

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