

ASX Announcement

Maggie Beer Holdings Limited (ASX:MBH)

15 October 2020

Group achieves strong growth in Q1 FY21 with net sales increasing by 19.2%

Maggie Beer Holdings Limited (MBH or Group) provides the following trading update:

Overview

- Group achieves **19.2% net sales growth** in Q1 FY21 over Q1 FY20
- Group has positive trading EBITDA at the end of Q1 FY21, with Group's trading **EBITDA improving by 244%** or \$1.6m in Q1 FY21 vs pcp
- All three businesses returning a **positive trading EBITDA** at the end of Q1 FY21
- Maggie Beer Products achieves **24% net sales growth** in Q1 FY21 over Q1 FY20
- Paris Creek Farms achieves **18% net sales growth** in Q1 FY21 over Q1 FY20
- Saint David Dairy achieves **5% net sales growth** in Q1 FY21 over Q1 FY20
- Maggie Beer Products **e-commerce sales increase by 237%** in Q1 FY21 over Q1 FY20
- Group's operating **cash position improves** by \$1.67m in Q1 FY21 vs Q1 FY20
- **Maggie Beer** to continue her involvement in the Group beyond April 2021 and will remain a Director of the MBH board on an ongoing basis

General Trading

The Directors are pleased with the performance of the Group in Q1 FY21 as the businesses continue to implement their strategic plans to accelerate growth. Maggie Beer Products and Paris Creek Farms continue to have strong net sales growth and Saint David Dairy continues to trade solidly, even after the further period of strict Covid-19 pandemic lockdown restrictions in Melbourne, Victoria.

With the Group's net sales increasing by 19.2% in Q1 FY21 over the same period last year, the Group continues to strengthen its balance sheet and cash position and create shareholder value. The Board remains optimistic that the positive results achieved in Q1 FY21 will continue for the remainder of FY21.

In addition, the Board is very pleased that Maggie Beer has announced that she would like to continue in her role as a director of MBH on an ongoing basis. Maggie Beer said, "I am looking forward to continuing my contribution to the MBH Board and my involvement with Maggie Beer Products beyond April next year, in what is a very exciting time for the Group".

Maggie Beer Products

Maggie Beer Products continues to drive growth, with all key product lines of cheese, fruit paste, pate and stocks, achieving double digit growth in Q1 FY21 over pcp. Cheese was the best performing category in Q1 FY21, with 79% growth vs pcp, with the new cheese lines launched in Q4 FY20 performing strongly.

Maggie Beer Products continues to focus on its e-commerce business, achieving 237% growth in Q1 FY21 compared to Q1 FY20. The business will launch its new e-commerce platform in November 20, providing an enhanced shopping experience for consumers, better device functionality, multiple payment options and better engagement for its Foodclub members. This, together with the continued refinement of its digital strategy and launch of a new Christmas hamper range in October 20, should allow the business to capitalise on the ever-growing hamper and gifting market over Christmas.

The business will also launch its chilled delivery service in SA, VIC, NSW and QLD (greater metro regions initially) by the end of October 20 and new partnerships formed with Marley Spoon and Startsat60 will also allow us to connect with and showcase our range to new consumers and increase our Direct to Consumer (DTC) presence.

Maggie Beer Products' new plant based ready meals were launched in Coles supermarkets nationally on the 12 October 20 with a fully integrated marketing plan; the business is now working hard on additional new product development, increasing our ranging in major retailers and driving our digital strategy to further capitalise on DTC opportunities.

To increase our brand awareness and showcase key product lines, Maggie Beer Products is launching four product commercials, to targeted audiences, on SBS "On Demand" in October 20.

Paris Creek Farms

Paris Creek Farms net sales continued to improve with 18% growth in Q1 FY21 over Q1FY20. The business finished the first quarter with a positive trading EBITDA and is contributing positively to the Group.

Paris Creek Farms launched a radio campaign in September, to further drive brand awareness in SA, increase ranging and sales.

Paris Creek Farms has developed a new range of yoghurts and is in discussions to launch these in H2 FY21, with a focus on national ranging, and is also working on a range of new products to expand its cheese, quark and milk lines.

Saint David Dairy

Saint David Dairy demonstrated its brand strength and resilience, with the business continuing to be profitable and cashflow positive in Q1 FY21. This is a great result considering the tough trading conditions experienced in Melbourne, with the strict Covid-19 pandemic lockdown measures put in place in August 20.

The business continues to expand its footprint into retail with its retail customers growing from 19% of net customer sales at the end of Q4 FY20 to 25% of net customer sales at the end of Q1 FY21.

The business is working on new product development to expand its product range, which will be launched in H2 FY21 assuming Covid-19 restrictions are lifted.

Please refer to the AGM Presentation that was lodged today for further information.

CEO, Chantale Millard said: “The Group has had a pleasing start to the FY21, and we are working hard to execute our plans to continue this growth. We are looking forward to a strong Christmas trading period, as consumers look to entertain with family and friends using Australian premium food and beverage products. We are also looking forward to building on the partnerships that we have formed in FY21, to grow our DTC and e-commerce business further”.

-Ends

All FY21 financial information contained in this announcement is based on unaudited accounts unless otherwise stated.

Authorised by the Board

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