

ASX Announcement

Maggie Beer Holdings Limited
(ASX:MBH)

30 August 2024



MAGGIE BEER HOLDINGS FY24 FINANCIAL RESULTS

Maggie Beer Holdings Ltd (**MBH** or the **Company**) today announced its financial results for the year ended 30 June 2024 (**FY24**). The underlying trading results are in line with the market update provided on 28 June 2024. The FY24 financial results in the preliminary financial report are in the process of being audited which will be released as soon as the audit is finalised.

FY24 Summary

- **Net Sales** from continuing operations \$89.4 million; up 0.8% on the prior year:
 - Maggie Beer Products (MBP) net sales up 6.3% driven by category expansion in retail and positive momentum in revenue growth from online sales.
 - Hampers & Gifts Australia (HGA) net sales up 0.7% FY24, a result of:
 - Strong Christmas execution delivered +8% sales in Q2 and
 - Continued focus on corporate customers.
 - Paris Creek Farms (PCF) net sales down 9.5%; primarily driven by lower milk supply.
- **Gross Margin (GM)** was down 1.1 percentage points to 49.2% impacted by:
 - MBP Retail - mix shift to lower margin categories and channels including increased inventory write offs.
 - Online - weak consumer sentiment that led to delayed price recovery of increased input costs. Cost recovery in online in H2 has delivered GM improvement from 54.7% (H1) to 57.4% (H2).
- **Trading EBITDA**¹ \$0.3 million (FY23: \$3.2m) reflecting earnings loss in PCF, delayed input cost recovery, and investments in advertising and people costs. Trading EBITDA Margin % of 0.3% (3.1% excluding PCF).
- **MBH** has no debt with a net cash position of \$4.7 million at 30 June 2024
- **Reported Net Loss After Tax** (\$24.8 million); includes non-cash impairment of HGA goodwill (\$13.8m); impairment of assets in PCF (\$4.6m); provision for HGA earn-out dispute (\$2.6m); and onerous contract provision in PCF (\$0.8m).

Results Commentary

The FY24 results are disappointing. However, a lot of progress has been made during the year:

- The acceleration of the B2B strategy in Online.
- New products and brand partners in Online.

¹ Trading EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) is a Non-IFRS financial measure. Trading EBITDA is used as a measure of financial performance by excluding non-recurring transactions and long-term non-cash share-based incentive payments.



- Maggie Beer expansion in key categories including cooking and ice cream.
- Proof of concept of the Maggie Beer product strategy and the Right to Win framework for product development.
- Technology roadmap implemented and Shopify migration underway with Maggie Beer pre-Christmas implementation to improve customer engagement and conversion rates and
- Settlement of the HGA earn out dispute and decision that Paris Creek Farms is an asset for sale.

These initiatives set the foundations for success leading into FY25.

Management Changes

As previously announced, Penny Diamantakiou was appointed Chief Operating Officer and will also assume the role of Chief Financial Officer on 13 September 2024, following the resignation of current CFO, Craig Louttit.

FY25 priorities

Looking forward, MBH Chair, Sue Thomas said: "Maggie Beer Holdings has an absolute focus on returning the business to profitability, and capitalising on our two great assets: An iconic Australian brand and a leading online gifting business.

"These assets will enable the delivery of our vision to **become Australia's leading purveyor of premium food and gifting products.**

"The foundations implemented during FY24 will assist the Group with a strengthened platform into FY25, and in particular:

- Lifting the customer experience and engagement through the scaling of the e-commerce platform.
- Focus on the B2B strategy and product innovation.
- Implement the Maggie Beer product strategy within the **Right To Win Framework.**
- Develop our brand partnerships.

"We are focused on further reducing the Company's cost base, ensuring that we maintain margins and optimise operations to return the business to profitability in FY25. We have commenced this process and have identified significant areas of savings.

"Within Online our focus is to maximise trading performance and profitability through the key Christmas trading period, including continued focus on corporate customers, personalisation, and targeted activation strategies to drive increased traffic and conversion.

"Within the Maggie Beer Products (MBP) business, our focus is the delivery of the MBP product and channel strategy to optimise sales and gross margin where we have a Right To Win".

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Authorised for release by the Board. For enquiries please contact:

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