



Australian Dairy Nutritionals Group

30 August 2019

ASX Code: AHF

Advancing and investing in Group strategy

- *FY19 results reflect solid progress and investment in strategic objectives to place the Group in strong standing for FY20*
- *FY19 EBITDA improvement of \$1M over previous year to -\$1.7M*
- *A contracted increase in milk price for FY20 expected to deliver an extra \$1.1 – 1.3M EBITDA in FY20 (independent of other expected improvements)*
- *FY19 financial results reduced by trading debt provision of \$864K and record high feed costs however favorable reductions in feed prices are now occurring and expected to continue. Post balance date joint venture in relation to Jonesy's Dairy Fresh facilitates possible recovery of trading debt as well as acquisition of premium brand in the wholesale milk distribution channel*
- *Invested in key staff including an experienced management team (Sales and Marketing and Company Secretary/General Counsel)*
- *Strong cash position of \$3.7M at 30 June 2019 to support investment in organic infant formula strategy*
- *Tranche 2 of Placement to Sophisticated Investors completed on 20 August 2019 raising an additional \$8.1M (before costs)*

Australian Dairy Nutritionals (**ASX: AHF**) announces its results for the twelve months ended 30 June 2019 (**FY19**) reflecting a period which has seen considerable progress in advancing its strategic objectives to provide a strong foundation for a successful FY20.

The Group achieved total income of \$21.9M. Other FY19 highlights included:

- Commencing a 4-year exclusive contract with The Collective for material volume of yoghurt and related products sold nationally. Production commenced late July 2018 and volumes are continuing to grow.
- Extended the term of the contract with The Collective to 6 years and updated revenue estimate to \$60 – \$70 M in sales over the contract period.
- Moving up the value chain – completed purchase of Flahey's Nutritionals and new ranges and recipes of infant formula are well progressed.
- Brought forward the organic milk timeline with the purchase of "Yaringa" farm which will be fully certified organic in November 2019.
- Repositioned the Group by renaming the Company **Australian Dairy Nutritionals Limited**.

AUSTRALIAN DAIRY NUTRITIONALS LIMITED

AUSTRALIAN DAIRY FARMS TRUST

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- Camperdown Dairy commenced producing organic dairy products across all three categories (milk, butter and yoghurt) for the first time.
- Secured the purchase of an infant formula plant comprising nutritionals mixing plant, evaporator and dryer in April 2019.
- Completed a successful capital raise for \$12M (before costs) to allow the Group to move to the next stage of its organic infant formula strategy.
- Successfully trademarked organic and tummy health brands in Australia and some Asian markets.

Ends.

AUSTRALIAN DAIRY NUTRITIONALS GROUP

For additional company information or media enquiry matters please contact:

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APPENDIX 4E - PRELIMINARY FINAL REPORT FOR YEAR ENDED 30 JUNE 2019

Australian Dairy Nutritionals Group (AHF) consists of Australian Dairy Nutritionals Limited (ACN: 057 046 607) and Australian Dairy Farms Trust (ARSN: 600 601 689) referred to as the 'Group'.

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	Change	\$000 2019	\$000 2018
Revenues from ordinary activities	Up 9%	21,373	19,522
EBITDA from ordinary activities	Up 32%	(1,920)	(2,822)
Loss from ordinary activities after tax attributable to members	Down 3%	(4,026)	(4,158)
Net loss for period attributable to members	Down 3%	(4,026)	(4,158)

	Cents	
	2019	2018
Net tangible asset backing per security	8.7	9.8

DIVIDEND INFORMATION

	Amount per Share (cents)	Franked Amount per Share (cents)	Tax Rate for Franking
Final dividend	Nil	Nil	Nil
Interim dividend	Nil	Nil	Nil
Record date			Not applicable

The Group does not have any dividend re-investment plan in operation.

LOSS OR GAIN OF CONTROL OVER OTHER ENTITIES

On 24 December 2018, the Group acquired Flahey's Nutritionals Pty Ltd. Refer Note 3 of the Annual Report for details of the acquisition.

ASSOCIATES

Name	Ownership Interest	
	2019 %	2018 %
Camperdown Cheese & Butter Factory Pty Ltd	-	50
Aggregate share of net profit from associate listed above	-	-

AUDIT STATUS

This Appendix 4E is based on the Annual Report, which has been subject to audit, with the Independent Auditor's report included.

Additional Appendix 4E disclosure requirements can be found in the 2019 Australian Dairy Nutritionals Group Annual Report lodged separately.