MEDIA RELEASE

1H FY2024 FINANCIAL RESULTS

Brands deliver to plan

Bega Cheese Limited (ASX: BGA) released its interim report for the half-year ended 24 December 2023.

In 1H FY2024, Bega Cheese Limited (the Group) generated statutory earnings before interest, tax, depreciation and amortisation (EBITDA) of $86.1 million, an increase on the prior comparative period of $14.5 million or 20%. The normalised 1H FY2024 EBITDA of $76.5 million increased when compared to the prior comparative period by $1.9 million or 3%. Normalised items in the current period include the gain on sale of property at Canberra, the acquisition of Betta Milk and Meander Valley Dairy and restructuring costs.

Profitability in the Branded segment significantly increased on the prior year comparative period with statutory EBITDA up $66.6 million or 153%. Bulk segment statutory EBITDA was lower than the prior year by $55.1 million as prices for global dairy commodities remained disconnected from Australian farm gate milk prices.

The result reflected the importance of the diversity of the Group with strong performance in Branded more than offsetting the decline in the Bulk segment. The Group's revenue exceeded $1.7 billion, an increase of 3% on the prior year. This included growth of 8% in the Branded segment demonstrating continued strong demand for the categories we participate in and the brands in our portfolio.

The Bega Group maintained guidance of $160-170 million normalised EBITDA for FY2024.

Key Measures	1HFY2024	1HFY2023	Change	
	$m	$m	$m	%
Statutory Performance				
Revenue	1,728.0	1,675.1	52.9	3%
EBITDA	86.1	71.6	14.5	20%
EBIT	43.2	20.0	23.2	116%
PAT	26.5	7.3	19.2	263%
EPS (cents per share)	8.7	2.4	6.3	263%
Normalised Performance				
EBITDA	76.5	74.6	1.9	3%
EBIT	33.6	23.0	10.6	46%
PAT	13.3	9.4	3.9	41%
EPS (cents per share)	4.4	3.1	1.3	42%
Net debt	250.9	321.4	-70.5	-22%
Leverage ratio (times)	1.9	2.7	-0.8	-30%

Capital management and leverage ratio

The Group had consolidated net debt of $250.9 million as of 24 December 2023, compared to $321.4 million at 25 December 2022, a reduction of $70.5 million. The reduction in net debt arose from cash inflows from the sale of property in Port Melbourne and Canberra and the sale of the company's interest in the Vitasoy Joint Venture. This was partially offset by an increase in working capital arising from an increase in trade receivables with higher sales leading into December and Branded price increases, as well as investments in capital infrastructure.

The Group's normalised EBITDA to net debt leverage ratio decreased from 2.7 times to 1.9 times largely due to lower net debt and marginally higher normalised EBITDA. This ratio remains well within the bank leverage ratio covenant of 3.5 times.

Interim FY2023 dividend – 4.0 cents per share

The Group announced an interim fully franked dividend of 4.0 cents per share for 1H FY2024. The interim dividend will be paid on 4 April 2024. The Dividend Reinvestment Plan will be activated for this dividend.

Ends…

22 February 2024

For further information please contact:

Barry Irvin
Executive Chairman
Bega Cheese Limited
02 6491 7720

Pete Findlay
Chief Executive Officer
Bega Cheese Limited
02 6491 7720