



ASX ANNOUNCEMENT

Appendix 4D and Half Year Accounts 2025

Enclosed is the Appendix 4D in relation to the Half Year ended 29 December 2024 together with the 2025 Interim Report for the Half Year ended 29 December 2024.

20 February 2025

For further information please contact

Brett Kelly
Company Secretary
Bega Cheese Limited

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RESULTS FOR ANNOUNCEMENT TO THE MARKET



Bega Cheese Limited

ASX Half-Year Information - 29 December 2024

Lodged with the ASX under Listing Rule 4.2A

This information should be read in conjunction with the 30 June 2024 Annual Report.

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Results for announcement to the market

| Appendix 4D Item | Percentage | | Amount \$m | |
|--|------------|-------|------------|---------|
| Revenue from ordinary activities | Up | 3.1% | To | 1,782.1 |
| Profit from ordinary activities after tax | Up | 14.0% | To | 30.2 |
| Profit from ordinary activities after tax attributable to members | Up | 14.0% | To | 30.2 |
| Net Profit for the period attributable to members | Up | 14.0% | To | 30.2 |

| Net Tangible Assets Backing | 29 December 2024 | 24 December 2023 |
|---------------------------------------|------------------|------------------|
| Net tangible assets backing per share | \$1.32 | \$1.27 |

| Dividends / Distributions | Amount per Security cents | Franked Amount per Security cents |
|---|---------------------------|-----------------------------------|
| Interim Dividend (Prior Year) | 4.00 | 4.00 |
| Final Dividend (Prior Year) | 4.00 | 4.00 |
| Interim Dividend Declared 20 February 2025 (Current Year) | 6.00 | 6.00 |

| Record Date for Determining Entitlements | Date |
|--|------------------|
| Interim Dividend | 26 February 2025 |

Explanation of result

Details of the results of the Group for the period to 29 December 2024 are included in the attached Interim Report.

Reporting periods

For the purposes of this Appendix 4D and Consolidated 2025 Interim Report for the half-year ended 29 December 2024, the following reporting periods have been applied:

- 1H FY2025 refers to the period from 1 July 2024 to 29 December 2024
- 1H FY2024 refers to the period from 1 July 2023 to 24 December 2023 (also referred to as the Prior Period).

The minor difference in the number of trading days between 1H FY2025 and the Prior Period has not had a material impact on the comparative financial performance of the Group in the current reporting period.

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Results for announcement to the market

Explanation of dividends

The interim dividend declared for the current period is 6.0 cents per share, an increase of 2.0 cent per share compared to the interim dividend of the Prior Period. The interim dividend will be paid on 3 April 2025.

Dividend Reinvestment Plan

The Group's Dividend Reinvestment Plan (DRP) will be activated for this dividend. The DRP is optional and offers ordinary shareholders in Australia and New Zealand the opportunity to acquire fully paid ordinary shares without transaction costs. It is expected that shares allocated under the DRP will be derived from new issued ordinary shares. The shares will rank pari passu with other ordinary shares already on issue. The allocation price will be determined in accordance with the DRP rules as the arithmetic average of the daily volume weighted average market price of all Bega Cheese Limited shares sold through a normal trade on the ASX trading system over the five business days commencing on the day of the record date.

A shareholder can elect to participate in or terminate their involvement in the DRP at any time. Election notices for participation in the DRP in relation to the dividend to be paid on 3 April 2025 must be received by the registry by 5:00 pm on 27 February 2025 to be effective for that dividend.

Further information

For further information, please refer to the 2024 Annual Report and the Consolidated 2025 Interim Report attached to this statement.

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Bega Cheese Limited

Consolidated 2025 Interim Report for the

Half-Year Ended 29 December 2024

ABN 81 008 358 503

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Directors' Report

Your Directors present their report on the consolidated entity (Group) consisting of Bega Cheese Limited (Bega Cheese or the Company) and the entities it controlled at the end of or during the period ended 29 December 2024.

Directors

The Directors of the Company during the financial half-year and up to the date of this report are:

Barry Irvin

Executive Chairman
Director since September 1989

Raelene Murphy

Chair of the Audit Committee
Independent Director since June 2015

Terry O'Brien

Chair of the Nomination, Remuneration, People & Capability Committee
Independent Director since September 2017

Patria Mann

Independent Director since September 2019

Rick Cross

Chair of the Milk Services Committee
Independent Director since December 2023
Director since December 2011

Harper Kilpatrick

Director since April 2021

Peter Margin

Deputy Chairman
Chair of the Risk & Sustainability Committee
Independent Director since September 2020

Reporting entity and period

This interim report covers the operations of the Company and its subsidiaries, as at, and for, the half-year ended 29 December 2024.

For the purposes of this Consolidated 2025 Interim Report for the half-year ended 29 December 2024, the following reporting periods have been applied in assessing the financial performance of the Group:

- 1H FY2025 refers to the period from 1 July 2024 to 29 December 2024
- 1H FY2024 refers to the period from 1 July 2023 to 24 December 2023 (also referred to as the Prior Period).

The minor difference in the number of trading days between 1H FY2025 and the Prior Period has not had a material impact on the comparative financial performance of the Group in the current reporting period. The relevant prior period comparative for the Consolidated Balance Sheet is at 30 June 2024.

DIRECTORS' REPORT

Review of operations

The principal activity of the Group during the period was receiving, processing, manufacturing and distributing dairy and other food-related products.

Earnings performance review 1H FY2025

Group result 1H FY2025

In 1H FY2025 the Group recognised revenue of \$1,782.1 million, an increase on the prior comparative period of \$54.1 million or 3.1%.

In 1H FY2025 the Group generated statutory earnings before interest and tax (EBIT) of \$56.6 million, an increase on the prior comparative period of \$13.4 million or 31.0%.

In 1H FY2025 the Group generated statutory earnings before interest, tax, depreciation and amortisation (EBITDA) of \$109.3 million, an increase on the prior comparative period of \$23.2 million or 26.9%.

The normalised 1H FY2025 EBITDA of \$110.3 million was an increase on the prior comparative period by \$33.8 million or 44.2%.

The normalised 1H FY2025 EBIT of \$64.3 million was an increase on the prior comparative period by \$30.7 million or 91.4%.

Normalised items in the current period include the impact of manufacturing footprint rationalisation initiatives, including SKU reduction and the sale and exit of the Leeton site. The sale and other initiatives resulted in a negative impact to the Group's EBIT of \$7.7 million, including \$6.7 million of impairment expense for owned and leased plant and equipment.

Normalisations in the prior comparative period largely included the gain on sale of property at Canberra, the acquisition of Betta Milk and Meander Valley Dairy and restructuring costs, and an income tax expense impact relating to the Group's finalisation of forming a tax consolidated group.

The Group's statutory effective tax rate for 1H FY2025 was 24.3% and the normalised effective tax rate was 24.6% (Refer to "note 2" for further details).

| | Per Financial Statements \$m | Manufacturing footprint rationalisation \$m | Normalised outcome \$m |
|---|---------------------------------------|--|------------------------------|
| Consolidated | | | |
| Period ended 29 December 2024 | | | |
| Revenue | 1,782.1 | - | 1,782.1 |
| Cost of sales | (1,393.0) | - | (1,393.0) |
| Gross profit | 389.1 | - | 389.1 |
| EBITDA | 109.3 | 1.0 | 110.3 |
| Depreciation, amortisation and impairment | (52.7) | 6.7 | (46.0) |
| EBIT | 56.6 | 7.7 | 64.3 |
| Net finance costs | (16.7) | - | (16.7) |
| Profit before income tax | 39.9 | 7.7 | 47.6 |
| Income tax expense | (9.7) | (2.0) | (11.7) |
| Profit for the period | 30.2 | 5.7 | 35.9 |
| Gross margin - percentage | 22% | | 22% |
| Basic earnings per share - cents | 9.9 | | 11.8 |

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DIRECTORS' REPORT

Earnings performance review 1H FY2025 (cont.)

Comparative Group result 1H FY2024

| Consolidated | Per Financial Statements \$m | Canberra sale and restructuring \$m | Betta Milk acquisition \$m | Tax adjustments \$m | Normalised outcome \$m |
|---|---------------------------------------|--|----------------------------------|---------------------------|------------------------------|
| Period ended 24 December 2023 | | | | | |
| Revenue | 1,728.0 | - | - | - | 1,728.0 |
| Cost of sales | (1,378.8) | - | - | - | (1,378.8) |
| Gross profit | 349.2 | - | - | - | 349.2 |
| EBITDA | 86.1 | (11.2) | 1.6 | - | 76.5 |
| Depreciation, amortisation and impairment | (42.9) | - | - | - | (42.9) |
| EBIT | 43.2 | (11.2) | 1.6 | - | 33.6 |
| Net finance costs | (16.5) | - | - | - | (16.5) |
| Profit before income tax | 26.7 | (11.2) | 1.6 | - | 17.1 |
| Income tax expense | (0.2) | 3.4 | (0.5) | (6.5) | (3.8) |
| Profit for the period | 26.5 | (7.8) | 1.1 | (6.5) | 13.3 |
| Gross margin - percentage | 20% | | | | 20% |
| Basic earnings per share - cents | 8.7 | | | | 4.4 |

Cash flows and net debt

The Group's statutory net cash outflow from operating activities was \$11.1 million in 1H FY2025, compared to net cash outflow of \$3.0 million in the Prior Period.

Net working capital was \$235.9 million at 29 December 2024, being an increase from \$150.6 million at 30 June 2024.

The Group had net debt of \$207.2 million at the end of 1H FY2025 compared to net debt of \$162.4 million at 30 June 2024, being an increase of \$44.8 million.

The Group's capital expenditure in 1H FY2025 totalled \$30.4 million (Prior Period: \$40.3 million). The capital works program was centred on investing in infrastructure to automate processes at the Group's distribution centres, completing a new and improved customer service portal and the implementation of safety initiatives and equipment enhancements across multiple locations.

Subsequent events

On 20 February 2025, the Directors declared an interim fully franked dividend of 6.0 cents per share, which represents a distribution of \$18.3 million.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the *Corporations Act 2001* is set out on page 9.

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DIRECTORS' REPORT

Rounding of amounts

The Group is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of the Directors.



Barry Irvin
Executive Chairman
Melbourne



Raelene Murphy
Independent Director
Melbourne

20 February 2025

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Auditor's Independence Declaration

As lead auditor for the review of Bega Cheese Limited for the half-year ended 29 December 2024, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bega Cheese Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'S. Lobley', written over a light blue horizontal line.

Sam Lobley
Partner
PricewaterhouseCoopers

Melbourne
20 February 2025

Consolidated Statement of Comprehensive Income

| | CONSOLIDATED | |
|--|----------------------------|----------------------------|
| | 29 December 2024 \$m | 24 December 2023 \$m |
| Revenue | 1,782.1 | 1,728.0 |
| Cost of sales | (1,393.0) | (1,378.8) |
| Gross profit | 389.1 | 349.2 |
| Other revenue | 5.7 | 5.8 |
| Other income | 4.1 | 19.3 |
| Distribution expense | (155.3) | (160.4) |
| Marketing expense | (58.1) | (56.6) |
| Occupancy expense | (23.2) | (23.2) |
| Administration expense | (98.1) | (90.2) |
| Impairment of assets | (6.7) | - |
| Finance costs | (17.6) | (17.2) |
| Profit before income tax | 39.9 | 26.7 |
| Income tax expense | (9.7) | (0.2) |
| Profit for the period attributable to owners of Bega Cheese Limited | 30.2 | 26.5 |
| Other comprehensive income: | | |
| <i>Items that may be reclassified to profit or loss</i> | | |
| Cash flow hedges, net of tax | (1.0) | (0.3) |
| Exchange differences on translating foreign operations | 0.2 | - |
| Total other comprehensive income | (0.8) | (0.3) |
| Total comprehensive income for the period attributable to owners of Bega Cheese Limited | 29.4 | 26.2 |
| | 2025 | 2024 |
| | Cents | Cents |
| Earnings per share for profit attributable to ordinary equity holders of the parent: | | |
| Basic earnings per share | 9.9 | 8.7 |
| Diluted earnings per share | 9.8 | 8.7 |

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The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet

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| | | CONSOLIDATED | |
|--------------------------------|---|---------------------|-----------------|
| | | 29 December 2024 | 30 June 2024 |
| | | \$m | \$m |
| Notes | | | |
| ASSETS | | | |
| Current assets | | | |
| | Cash and cash equivalents | 57.8 | 65.6 |
| | Trade and other receivables | 309.8 | 350.9 |
| | Derivative financial instruments | - | 1.2 |
| | Inventories | 404.5 | 358.1 |
| | Current tax assets | 2.3 | - |
| 4 | Assets held for sale | 11.6 | 17.3 |
| | Other current assets | 31.9 | 28.6 |
| | Total current assets | 817.9 | 821.7 |
| Non-current assets | | | |
| | Property, plant and equipment | 656.9 | 673.4 |
| | Right-of-use assets | 157.3 | 150.8 |
| | Deferred tax assets | 11.8 | 16.3 |
| | Other assets | 1.0 | - |
| | Intangible assets | 473.9 | 476.6 |
| | Total non-current assets | 1,300.9 | 1,317.1 |
| | Total assets | 2,118.8 | 2,138.8 |
| LIABILITIES | | | |
| Current liabilities | | | |
| | Trade and other payables | 478.4 | 558.4 |
| | Other liabilities | 15.3 | 16.2 |
| | Derivative financial instruments | 3.8 | 0.3 |
| | Lease liabilities | 22.8 | 23.9 |
| | Current tax liabilities | - | 4.9 |
| | Provisions | 101.9 | 103.8 |
| | Total current liabilities | 622.2 | 707.5 |
| Non-current liabilities | | | |
| 5 | Borrowings | 263.6 | 226.7 |
| | Lease liabilities | 177.9 | 168.3 |
| | Other liabilities | 4.3 | 4.7 |
| | Provisions | 17.6 | 16.8 |
| | Total non-current liabilities | 463.4 | 416.5 |
| | Total liabilities | 1,085.6 | 1,124.0 |
| | Net Assets | 1,033.2 | 1,014.8 |
| EQUITY | | | |
| 6 | Share capital | 882.8 | 882.2 |
| | Reserves | 26.2 | 26.4 |
| | Retained earnings | 124.2 | 106.2 |
| | Capital and reserves attributable to owners of Bega Cheese Limited | 1,033.2 | 1,014.8 |
| | Total Equity | 1,033.2 | 1,014.8 |

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

| Consolidated | Share capital | Reserves | Retained earnings | Total |
|--|--------------------------|-----------------|------------------------------|----------------|
| | \$m | \$m | \$m | \$m |
| Balance as at 1 July 2023 | 881.0 | 25.7 | 97.0 | 1,003.7 |
| Profit for the period | - | - | 26.5 | 26.5 |
| Other comprehensive income for the period | - | (0.3) | - | (0.3) |
| Transactions with owners in their capacity as owners: | | | | |
| - Issue of shares | 0.8 | - | - | 0.8 |
| - Share-based payments relating to incentives | - | (0.7) | - | (0.7) |
| - Dividends provided for or paid | - | - | (9.1) | (9.1) |
| - Tax effect of prior period share issue transaction costs | (0.3) | - | - | (0.3) |
| Balance as at 24 December 2023 | 881.5 | 24.7 | 114.4 | 1,020.6 |
| Balance as at 1 July 2024 | 882.2 | 26.4 | 106.2 | 1,014.8 |
| Profit for the period | - | - | 30.2 | 30.2 |
| Other comprehensive income for the period | - | (0.8) | - | (0.8) |
| Transactions with owners in their capacity as owners: | | | | |
| - Issue of shares (note 6) | 1.0 | - | - | 1.0 |
| - Share-based payments relating to incentives | - | 0.6 | - | 0.6 |
| - Dividends provided for or paid | - | - | (12.2) | (12.2) |
| - Tax effect of prior period share issue transaction costs | (0.4) | - | - | (0.4) |
| Balance as at 29 December 2024 | 882.8 | 26.2 | 124.2 | 1,033.2 |

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The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

| | CONSOLIDATED | |
|---|----------------------------|----------------------------|
| | 29 December 2024 \$m | 24 December 2023 \$m |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Receipts from customers inclusive of goods and services tax | 1,879.0 | 1,798.5 |
| Payments to suppliers and employees inclusive of goods and services tax | (1,825.9) | (1,785.5) |
| Net (payments)/receipts from Trade Receivables Facility | (35.2) | 6.3 |
| Interest and other costs of financing paid | (17.6) | (17.2) |
| Interest received | 0.9 | 0.7 |
| Income taxes paid | (12.3) | (5.8) |
| Net (outflow) from operating activities | (11.1) | (3.0) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments for property, plant and equipment | (28.4) | (29.7) |
| Payments for intangible assets | (2.0) | (10.6) |
| Payments for business combinations | - | (11.1) |
| Proceeds from sale of property, plant and equipment | 18.9 | 26.2 |
| Net (outflow) from investing activities | (11.5) | (25.2) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | 127.0 | 50.0 |
| Repayment of borrowings | (90.0) | - |
| Principal elements of lease payments | (11.0) | (10.8) |
| Dividends paid to Bega Cheese Limited's shareholders | (11.2) | (8.3) |
| Net inflow from financing activities | 14.8 | 30.9 |
| Net (decrease)/increase in cash and cash equivalents | (7.8) | 2.7 |
| Cash and cash equivalents at the beginning of the period | 65.6 | 66.4 |
| Cash and cash equivalents at the end of the period | 57.8 | 69.1 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. SIGNIFICANT EVENTS IN THE ACCOUNTING PERIOD

Manufacturing footprint rationalisation

On 26 August 2024, the Group announced that it has entered into a binding agreement to sell its Leeton juice extraction facility and related assets to Australian Juice Processing and Bottling Pty Ltd (Grove Juice) subject to conditions for \$11.4 million. Completion of the sale occurred in the second quarter of FY2025, whereby Grove Juice has taken ownership of the facility and provided employment to existing staff. Grove Juice commenced processing fruit on behalf of the Group as part of a long-term agreement.

In addition to the sale and exit of the Leeton site, other manufacturing footprint rationalisation initiatives were undertaken across the Group, including SKU reduction to remove complexity and unlock efficiencies. The Leeton sale and other initiatives resulted in a negative impact to the Group's profit before tax of \$7.7 million, including \$6.7 million of impairment expense for owned and leased plant and equipment.

2. SEASONAL AND OTHER FACTORS

The Consolidated Statement of Comprehensive Income for the half-year ended 29 December 2024 is not necessarily expected to reflect the proportional full year result of the Group as it is influenced by seasonal factors.

The Group's effective company tax rate is calculated as income tax expense divided by profit before tax. Income tax expense captures taxes on profits and excludes other types of taxes for example GST, FBT, payroll tax and PAYG tax paid on behalf of employees. The effective company tax rate differs from the statutory company tax rate of 30% primarily due to the permanent benefit in respect of the research and development tax incentive and adjustments relating to the prior year.

3. SEGMENT INFORMATION

a) Description of segments

The Group determines the reporting segments based on financial and other management reports reviewed by the Executive Chairman, Chief Executive Officer and Chief Financial Officer, in their capacity as the Chief Operating Decision Makers (CODM).

The Group has two reporting segments:

- i.* Branded – the manufacture of value-added consumer products for owned and externally owned brands.
- ii.* Bulk – the manufacture of bulk dairy ingredients, nutritional and bio nutrient products.

The CODM assesses the performance of the reporting segments based on a measure of EBITDA. In addition, the CODM takes into account significant current year events by segment so that normalised business performance is assessed.

Unallocated overheads relate to corporate and legal costs that cannot be reasonably classified into a segment.

Inter-segment eliminations represent elimination of sales and profit in stock arising from inter-segment sales at an arm's length transfer price.

3. SEGMENT INFORMATION (CONT.)

b) Segment information provided to the CODM

The segment information provided to the CODM for the reportable segments for the half-year ended 29 December 2024 is as follows:

| | Branded \$m | Bulk \$m | Unallocated overheads \$m | Inter-segment eliminations \$m | Group Total \$m |
|--|----------------|-------------|---------------------------------|--------------------------------------|-----------------------|
| Period ending 29 December 2024 | | | | | |
| Revenue | 1,522.2 | 494.5 | - | (234.6) | 1,782.1 |
| Cost of sales | (1,153.5) | (437.7) | - | 232.6 | (1,358.6) |
| Gross profit⁽¹⁾ | 368.7 | 56.8 | - | (2.0) | 423.5 |
| EBITDA | 104.2 | 24.4 | (17.5) | (1.8) | 109.3 |
| Depreciation, amortisation and impairment | | | | | (52.7) |
| EBIT | | | | | 56.6 |
| Interest revenue | | | | | 0.9 |
| Interest expense | | | | | (17.6) |
| Profit before income tax | | | | | 39.9 |
| Income tax expense | | | | | (9.7) |
| Profit for the period | | | | | 30.2 |
| Impact of current period events on profit before income tax | | | | | |
| Manufacturing footprint rationalisation | (6.7) | - | (1.0) | - | (7.7) |

(1) Excluding manufacturing related depreciation, amortisation and impairment expense. Gross profit in the Consolidated Statement of Comprehensive Income includes these amounts.

For further details of the current period events please refer to the table and explanation in the Directors Report on page 6.

Prior period comparative segment information is as follows:

| | Branded \$m | Bulk \$m | Unallocated overheads \$m | Inter-segment eliminations \$m | Group Total \$m |
|--|----------------|-------------|---------------------------------|--------------------------------------|-----------------------|
| Period ending 24 December 2023 | | | | | |
| Revenue | 1,508.3 | 366.4 | - | (146.7) | 1,728.0 |
| Cost of sales | (1,154.7) | (338.3) | - | 147.7 | (1,345.3) |
| Gross profit | 353.6 | 28.1 | - | 1.0 | 382.7 |
| EBITDA | 110.1 | (5.6) | (19.8) | 1.4 | 86.1 |
| Depreciation, amortisation and impairment | | | | | (42.9) |
| EBIT | | | | | 43.2 |
| Interest revenue | | | | | 0.7 |
| Interest expense | | | | | (17.2) |
| Profit before income tax | | | | | 26.7 |
| Income tax expense | | | | | (0.2) |
| Profit for the period | | | | | 26.5 |
| Impact of prior period events on profit before income tax | | | | | |
| Canberra sale and restructuring | 13.3 | - | (2.1) | - | 11.2 |
| Betta Milk acquisition | - | - | (1.6) | - | (1.6) |

c) Other segment information

Segment revenue

Sales between segments are carried out at arm's length and eliminated on consolidation. The revenue from external parties reported to the CODM is measured in a manner consistent with that in the Consolidated Statement of Comprehensive Income.

4. ASSETS HELD FOR SALE

| | CONSOLIDATED | |
|-----------------------------------|--------------|-------------|
| | 29 December | 30 June |
| | 2024 | 2024 |
| | \$m | \$m |
| Land and buildings held for sale | 11.6 | 17.3 |
| Total assets held for sale | 11.6 | 17.3 |

Assets held for sale relate to a surplus warehouse in Frenchs Forest (New South Wales) and other various unutilised properties across the Group's property portfolio which are expected to be sold in the next 12 months.

5. BORROWINGS

The Group had \$600 million in available debt facilities as at 29 December 2024, of which \$265 million was drawn, as set out below:

| | CONSOLIDATED | |
|---|--------------|--------------|
| | 29 December | 30 June |
| | 2024 | 2024 |
| | \$m | \$m |
| Undrawn facilities expiring within one year | 150.0 | - |
| Undrawn facilities expiring beyond one year | 185.0 | 372.0 |
| Drawn facilities | 265.0 | 228.0 |
| Total facilities | 600.0 | 600.0 |
| Total facilities are represented by: | | |
| Common Terms Deed - Revolving Cash Advance Facility maturing 2 July 2027 | 270.0 | 270.0 |
| Common Terms Deed - Revolving Cash Advance Facility maturing 17 February 2027 | 180.0 | 180.0 |
| Inventory Facility - maturing 25 August 2025 | 150.0 | 150.0 |
| Total facilities | 600.0 | 600.0 |

The Common Terms Deed Debt Facilities is comprised of two aggregate facilities: Facility 1 which has an aggregate limit of \$270 million maturing in July 2027 and Facility 2 which has an aggregate limit of \$180 million maturing in February 2027.

In addition to the Common Terms Deed Debt Facilities, the Group continues to operate a stand-alone Inventory Facility (matures on 25 August 2025) which is not subject to cross-charges or cross-guarantees, except as disclosed in the 2024 Annual Report.

The Common Terms Deed Debt Facilities and Inventory Facility are secured by equitable mortgages and floating charges on the assets of Bega Cheese Limited and its subsidiaries subject to the Deed of Cross Guarantee as disclosed in the 2024 Annual Report.

The Group also continues to operate its Trade Receivables Facility with Rabobank as disclosed in the 2024 Annual Report. The facility has a standalone limit of \$250 million (and a combined maximum drawdown limit of \$350 million with the Inventory Facility) and matures on 31 August 2025. The facility is not classified as borrowings as the contractual rights to cash flows from these receivables have expired on acceptance of the sale to Rabobank.

5. BORROWINGS (CONT.)

Under the Common Terms Deed Debt Facilities, the Group is required to comply with the following covenants:

- i. the leverage ratio is not greater than 3.50 times;
- ii. the interest cover ratio must be equal or greater than 2.0 times, increasing to 2.50 times from 1 July 2025; and
- iii. shareholder funds must be equal or greater than \$750 million.

The Group has complied with these and previous covenants throughout the reporting period.

The Group's net debt comprises of borrowings (excluding borrowing costs), and cash and cash equivalents. The Group's net debt at the reporting date is as follows:

| | CONSOLIDATED | |
|---------------------------|----------------------------|------------------------|
| | 29 December 2024 \$m | 30 June 2024 \$m |
| Borrowings | 263.6 | 226.7 |
| Add back: borrowing costs | 1.4 | 1.3 |
| Cash and cash equivalents | (57.8) | (65.6) |
| Net debt | 207.2 | 162.4 |

6. SHARE CAPITAL

a) Share capital

| | CONSOLIDATED | |
|--|----------------------------|------------------------|
| | 29 December 2024 \$m | 30 June 2024 \$m |
| Share capital - ordinary shares fully paid | 882.8 | 882.2 |

b) Movement in number of shares and share capital value

| | Ordinary Shares Number '000 | Ordinary Shares \$m |
|--|---|---------------------------|
| | Ordinary shares on issue at 1 July 2023 | 304,248 |
| Shares issued under Dividend Reinvestment Plan | 528 | 1.9 |
| Tax effect of prior period share issue transaction costs | - | (0.7) |
| Ordinary shares on issue at 30 June 2024 | 304,776 | 882.2 |
| Ordinary shares on issue at 1 July 2024 | 304,776 | 882.2 |
| Shares issued under Dividend Reinvestment Plan | 187 | 1.0 |
| Tax effect of prior period share issue transaction costs | - | (0.4) |
| Ordinary shares on issue at 29 December 2024 | 304,963 | 882.8 |

7. INTANGIBLE ASSETS

Indicators of impairment

The Board of Directors has assessed whether there is any indication that the Group's indefinite life intangible assets may be impaired. They have formed the view after an analysis of the indicators of impairment that an impairment assessment is not required as at 29 December 2024.

8. SUBSEQUENT EVENTS

Dividend

On 20 February 2025, the Directors declared an interim fully franked dividend of 6.0 cents per share, which represents a distribution of \$18.3 million.

9. BASIS OF PREPARATION

a) Interim Financial Reporting

This Consolidated Interim Financial Report for the reporting period ended 29 December 2024 (corresponding prior comparable period ended 24 December 2023) has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This interim report includes the result of Bega Cheese Limited (Bega Cheese, Company or parent entity) and the results of its subsidiaries.

This Consolidated Interim Financial Report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Bega Cheese Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted in this report are consistent with those of the previous financial year and corresponding interim reporting period.

b) Rounding of amounts

The Group is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off to the nearest hundred thousand dollars, or in certain cases, the nearest dollar.

c) New and amended standards adopted by the Group

A number of new or amended standards became applicable for the current reporting period, however the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

Directors' Declaration

In the Directors' opinion:

- a. the financial statements and notes set out on pages 10 to 18 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the consolidated entity's financial position as at 29 December 2024 and of its performance for the half-year ended on that date; and
- b. there are reasonable grounds to believe that Bega Cheese Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Barry Irvin
Executive Chairman
Melbourne



Raelene Murphy
Independent Director
Melbourne

20 February 2025

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Independent auditor's review report to the members of Bega Cheese Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Bega Cheese Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 29 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Bega Cheese Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 29 December 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report, in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 29 December 2024 and of its performance for the



half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'M. ...', written over a light grey horizontal line.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'S. Lobley', written over a light grey horizontal line.

Sam Lobley
Partner

Melbourne
20 February 2025

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