

ASX Announcement: 29 August 2025

30 June 2025 Results (1H FY2025)

TasFoods Limited (**TasFoods**, **ASX:TFL**, the **Company**) today released its financial results for the half-year ended 30 June 2025 (H1 2025).

Highlights

- TasFoods recorded a statutory net loss after tax of \$3.6 million, a 29% improvement on the net loss after tax loss of \$5.0 million record in the prior comparable period (PCP);
- Sales revenue for continued operations (poultry and cheese) reduced by 21% on the pcg to \$19.9 million, driven by the continuation of poultry oversupply and heavily discounted wholesale pricing across market channels;
- Gross margin for the poultry division reduced to 22% for H1 2025 (H1 2024: 23%), performance was driven by the oversupply and heavily discounted wholesale pricing during the period, which was offset by input cost reductions of chicken contract growers across to lease agreements and the continued feed efficiencies from the transition of feed suppliers in H2 2024;
- Leaner Corporate Office operations, focusing only on essential services has resulted in an operating expenditure for H1 2025 of \$1.2 million, a 33% decrease from the pcg and continues to be a focus of cost reduction in the Company;
- Unconditional sale of the former Betta Milk property, due Mid-September 2025, as announced on 31 July 2025;
- Strategic decision to sell Pyengana Dairy by 31 October 2025 after reviewing all business units under the current TasFoods structure and against the Capital Management Framework, as announced on 11 August 2025;
- Non-cash impairment in the poultry division of \$1.2 million following a review of the value of the cash generating units and assets across the Company.
- TasFoods remains focused on cost control amidst a challenging economic backdrop nationally and locally in Tasmania with consumers continuing to trade-down and substitute within the grocery channel with flow-on impact to the food service and distributor channels; and
- We remain focused and committed to proactively assessing the Poultry operations and the asset profile under our Capital Management Framework to explore all opportunities to enhance returns for shareholders.

Financial Performance

TasFoods has reported a H1 2025 statutory net loss after tax of \$3.6 million, a 29% improvement compared to the statutory net loss after tax of \$5.0 million for H1 2024.

- Consolidated Group Operating EBITDA loss for H1 2025 of \$1.5 million, was \$0.5 million decrease compared to pcg (H1 2024: \$1 million loss);
- Sales revenue and other income for continued operations for H1 2025 of \$20.0 million was \$4.5 million lower compared to pcg (H1 2024: \$24.5 million). Driven by poultry oversupply, discounted wholesale prices by competitors and continued cost of living pressures;

- Gross margin from continued operations of 22% (H1 2024: 25%) driven oversupply of poultry in all market channels and increase input costs of production and processing across the Poultry and Cheese business units; and
- Non-cash impairment in Nichols Poultry of \$1.2 million following a review of the value of the cash generating units and assets across the Company.

	H1 2025							
	Continued operations				Discontinued operations			Consolidated
	Dairy	Poultry	Shared Services	Total	Dairy	Horticulture	Total	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue & Other Income	783	19,224	17	20,024	200	-	200	20,224
Operating Expenditure	(864)	(19,601)	(1,225)	(21,691)	(53)	-	(53)	(21,744)
Operating EBITDA	(82)	(377)	(1,208)	(1,667)	147	-	147	(1,520)
GP Margin	43%	22%	0%	22%	0%	0%	0%	22%
Movement in Fair Value	-	175	-	175	-	-	-	175
Sale of Assets	-	-	-	-	-	-	-	-
EBITDA	(82)	(202)	(1,208)	(1,492)	147	-	147	(1,345)
NPAT (excluding impairment)	-	-	-	(2,324)	-	-	-	(2,324)
Impairment Expense	-	(1,228)	-	(1,228)	-	-	-	(1,228)
NPAT	-	-	-	(3,552)	-	-	-	(3,552)

	H1 2024							
	Continued operations				Discontinued operations			Consolidated
	Dairy	Poultry	Shared Services	Total	Dairy	Horticulture	Total	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue & Other Income	1,260	23,001	233	24,494	186	-	186	24,680
Operating Expenditure	(1,056)	(22,705)	(1,841)	(25,602)	(101)	1	(100)	(25,702)
Operating EBITDA	204	296	(1,608)	(1,108)	85	1	86	(1,022)
GP Margin	47%	23%	0%	25%	0%	0%	0%	25%
Movement in Fair Value	-	72	-	72	-	-	-	72
Sale of Assets	-	-	(16)	(16)	(13)	-	(13)	(29)
EBITDA	204	368	(1,624)	(1,052)	72	1	73	(979)
NPAT (excluding impairment)	-	-	-	(2,099)	-	-	20	(2,079)
Impairment Expense	-	(2,926)	-	(2,926)	-	-	-	(2,926)
NPAT	-	-	-	(5,025)	-	-	20	(5,005)

Operational Performance

Sales revenue and other income for the Poultry Division in H1 2025 was \$19.2 million, a decrease of 20% compared to the pcp, with operating EBITDA loss of \$0.4 million, (\$0.7 million lower than the pcp). Major driver being the continued oversupply of mainland sourced poultry into the Tasmanian and mainland markets. This has increased competition and reduced wholesale price points between 20% to 38% in their respective markets as mainland distributors and wholesalers seek to move poultry inventory volumes at low cost.

Gross margins in the poultry division reduced by 1% compared to the pcp as challenging market conditions and tightening of household spending, coupled with significantly higher operating costs such as utilities, direct labour costs and increased repair costs eroded productivity and efficiency initiatives implemented in across the poultry division operations.

Isle and Sky pet treats continues to perform in H1 2025. Sales revenue and volumes have been affected in Q2 2025 with the transition from Petbarn to Natures Best as part of the Sales and Distribution Agreement with Natures Best. The partnership with Natures Best, who is one of Australia's largest vertically integrated pet retailer and distribution businesses will provide a platform to accelerate distribution of our pet treats range and extend further into new products.

Sales revenue and other income in the Pyengana Dairy cheese and café division for H1 2025 was \$0.8 million, reflecting a 38% decrease from the pcp, primarily due to the constraints of cheese aging in the cellar, this combined with a reduction in tourist numbers at the farmgate café and visitor centre.

Pyengana Dairy cheese sales performance into the 182 Coles stores nationally continues its growth with sales and volumes increasing since commencement in October 2025, with a further 25 additional stores ranging Pyengana Dairy traditional Cloth bound cheddar commencing in late September 2025, which is pleasing to see.

Regardless of the challenging current economic environment. We continue to increase focus on growth opportunities in cheese markets together with our distribution partners and the finalisation of the export certification process for the facility.

Operating a leaner Corporate Office (Shared Services) and focusing only on essential services has resulted in an operating expenditure for H1 2025 of \$1.2 million, a 33% decrease from the pcp.

Balance Sheet

Key points relating to TasFoods' balance sheet for the half year ended 30 June 2025 include:

- Net assets for the Group at 30 June 2025 were \$3.6 million (December 2024: \$7.1 million), representing 0.8 cents per share (December 2024: 1.6 cents per share);
- Cash and cash equivalents as at 30 June 2025 were \$0.05 million offset by bank overdraft of \$1.3 million (December 2024: cash and cash equivalents \$0.5 million),
- Undrawn finance facilities as at 30 June 2025 were \$1.0 million (December 2024: \$2.4 million); and
- Total borrowings as at 30 June 2025 were \$5.9 million (December 2024: \$3.7 million).

Cash Flow

Key points relating to TasFoods' cash flow for the half year ended 30 June 2025 include:

- The half ended with a closing cash on hand balance of \$1.3 million overdraft;
- Cash receipts from customers were \$19.8 million for continued operations, a decrease of 18% on the pcp;
- Net operating cash outflows of \$2 million represented a decrease of 19% on the pcp; and
- Financing net cash inflows were \$0.4 million, relating to increase in term debt from NAB of \$0.5 million and Research Corporation Pty Ltd of \$0.7 million, offset by borrowing and lease repayments totalling \$0.8 million.

Outlook

We are observing early in Q3 2025 a continuation from FY2024 and H1 2025 of the prolonged surplus of mainland chicken and increased competition through all market channels in Tasmania. This was intensified by competitors heavily discounting poultry volumes at the wholesale and consumer levels throughout H1 2025. Trading conditions are expected to remain competitive and extremely challenging for the remainder of 2025 and into 2026 in all sales channels across all markets. For food manufacturing and agribusiness companies operating in the domestic grocery and food service channels. Increasing electricity, gas, direct labour, logistics, continued cost-of-living pressure and economic uncertainty – nationally and locally in Tasmania continue to weigh heavily on both business and consumer confidence.

Both major listed grocers have reported the continuing trend towards value offerings with consumers focussed buying on promotional, bulk buying and substitutions where possible. Indeed, we are

observing consumers continuing to trade-down within category (for example, preferencing chicken mince or drumsticks over breast or thigh cuts) or alternatively substituting premium options with value focussed offerings. We anticipate these conditions to continue through H2 2025 and into 2026.

Management remains focused and proactive in reviewing, implementing and adjusting operational and strategic initiatives to establish a more resilient operating model for the Company.

Divestment of assets not utilised (former Betta Milk property) and the successful completion of the divestment of the Pyengana Dairy brand and business are key strategic initiatives in H2 2025.

TasFoods remains focused and committed to proactively assessing the Poultry operations and the asset profile under our Capital Management Framework to explore all opportunities to enhance returns for shareholders.

Authorised for ASX release by the Board of Directors of TasFoods Ltd.

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