



Bell Potter ELC Conference

30 May 2024



*creating great food
for a better future*

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- **Our transition** from a commodity-led to brand-led company generating higher and more consistent earnings
- Demonstrate the **important role** the Bulk business plays for the Group
- Channel / market **opportunities** to propel net revenue and profit growth
- **Disciplined cash flow focus** and capital management to enhance balance sheet and shareholder returns





VISION: To become 'The Great Australian Food Company'

PURPOSE: Creating great food for a better future

5-YEAR HORIZON: Focus & Simplify

Secure solids

Grow and diversify the supply of milk solids to support branded growth and plant efficiency.

Protect and grow the core

Grow our core domestic grocery business.

Win on the street

Improve our competitiveness at a regional, local and national level outside key grocery by leveraging our distribution and product capability.

Streamline our sites

Optimise our footprint and maximise consolidation opportunities.

Sustainability

Meet our commitments to environment, social and governance (ESG).

International opportunity

Focus and grow our international business.

VALUES:

GROW

our people

PASSION

for the customer & consumer

INVEST

in our future

SUPPORT

each other

The Bega Group's unique capabilities

DIVERSIFIED PORTFOLIO OF MARKET LEADING BRANDS

Market leading portfolio of brands

- Number #1-3 in our key categories
- Bega products are present in ~95% of Australian households
- ~\$2b net branded sales revenue across all channels



EFFICIENT DISTRIBUTION NETWORK

Extensive logistics network

- 27,000 businesses serviced each week
- 100+ chilled depots, 13+ ambient warehouses and 3 national distribution centres
- 3,200 truck loads per week delivered across Australia

COMPREHENSIVE MANUFACTURING NETWORK

Robust and flexible supply chain

- 19 sites across Australia
- Flexible footprint to maximise the milk pool
- Manages 1.3 billion litres of milk annually

DIRECT RELATIONSHIP WITH OUR FARMERS

Strong links to our farmers and suppliers

- Diversified milk supply over 600 contracts with farmers for milk
- Contracts for milk in every state of Australia
- Long term ingredient supply relationships

Our power brands

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 - Founded in 1900, the Dairy Farmers brand is our largest trademark with over \$700m RSV, playing across white milk, yoghurt and culinary.
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 - Providing ultimate mental clarity, Dare is almost a half a billion-dollar RSV brand holding 47% value share of Iced Coffee in Grocery and 56% value share in Convenience.
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 - Providing positive nutrition, PURA is a trusted brand with more than 80 years of milk expertise. A leading brand in VIC and SA, with presence in TAS. Mainstream appeal, weighted to older consumers.
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 - An icon of SA with 52% market share of Iced Coffee in Grocery and the #1 selling SKU in total Yoghurt. Farmers Union is a \$216m RSV brand across the market.
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 - Australia's #1 selling yoghurt, and in more Aussie households than any other yoghurt brand. Yoplait was the first branded offer in Australia launching in 1982, and is now valued at \$168m RSV.
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 - The Bega brand turns 125 next year and is Australia's largest cheese and peanut butter brand. With 81% share of traditional peanut butter it's Australia's favourite peanut butter.
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 - VEGEMITE is one of Australia's most iconic brands and is 100 years young with the brand celebrating its centenary this year. VEGEMITE is #1 in the yeast spreads category, with 91% share and \$80M RSV.
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 - Daily Juice is Bega's key mainstream juice brand with \$80m in RSV and holding 14% share of the total chilled juice Grocery market.

Our top 8 brands contribute 72% of branded revenue



Market leading brands

- **Iconic Australian Brands** with enduring appeal
- **Strong market positions**
- Covering **essential consumer items** to discretionary purchases
- **Widely available and accessible** for most Australians

Grocery Category	Bega Market Share	Bega Market Position	Bega Brands
Milk Based Beverages	52%	1	
Yoghurt	26%	1	
Spreads	31%	1	
Fresh White Milk	12%	3	
Chilled Juice & Drinks	22%	2	
Creams & Custards	9%	4	
Water Ice	81%	1	

Source: Circana IHP Panel data August 2023

Note: this shows grocery information only – Coles, Woolworths, IGA. It does not include independent sales, food service customers, or international sales.

Multichannel strategy

Grocery

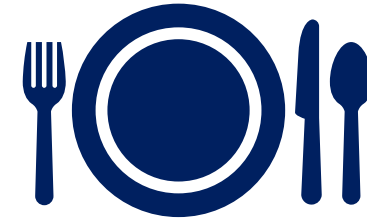


Supermarkets

Non-Grocery



Convenience



Foodservice
and Local Trade

Maximising component value

The Bulk business separates milk components and recombines these into an optimal product mix for our branded business

800 million litres of milk are processed by our fresh **branded business**

550 million litres of milk are processed in our **bulk business**

- ✓ Fat from 400 million litres is utilised for **branded products**
- ✓ 60% of the protein from the same 400 million litres is utilised for bulk products
- ✓ 150 million litres of milk is used for bulk product into bulk markets

Bulk assets **improve returns for protein** through investments in milk protein concentrate and lactoferrin

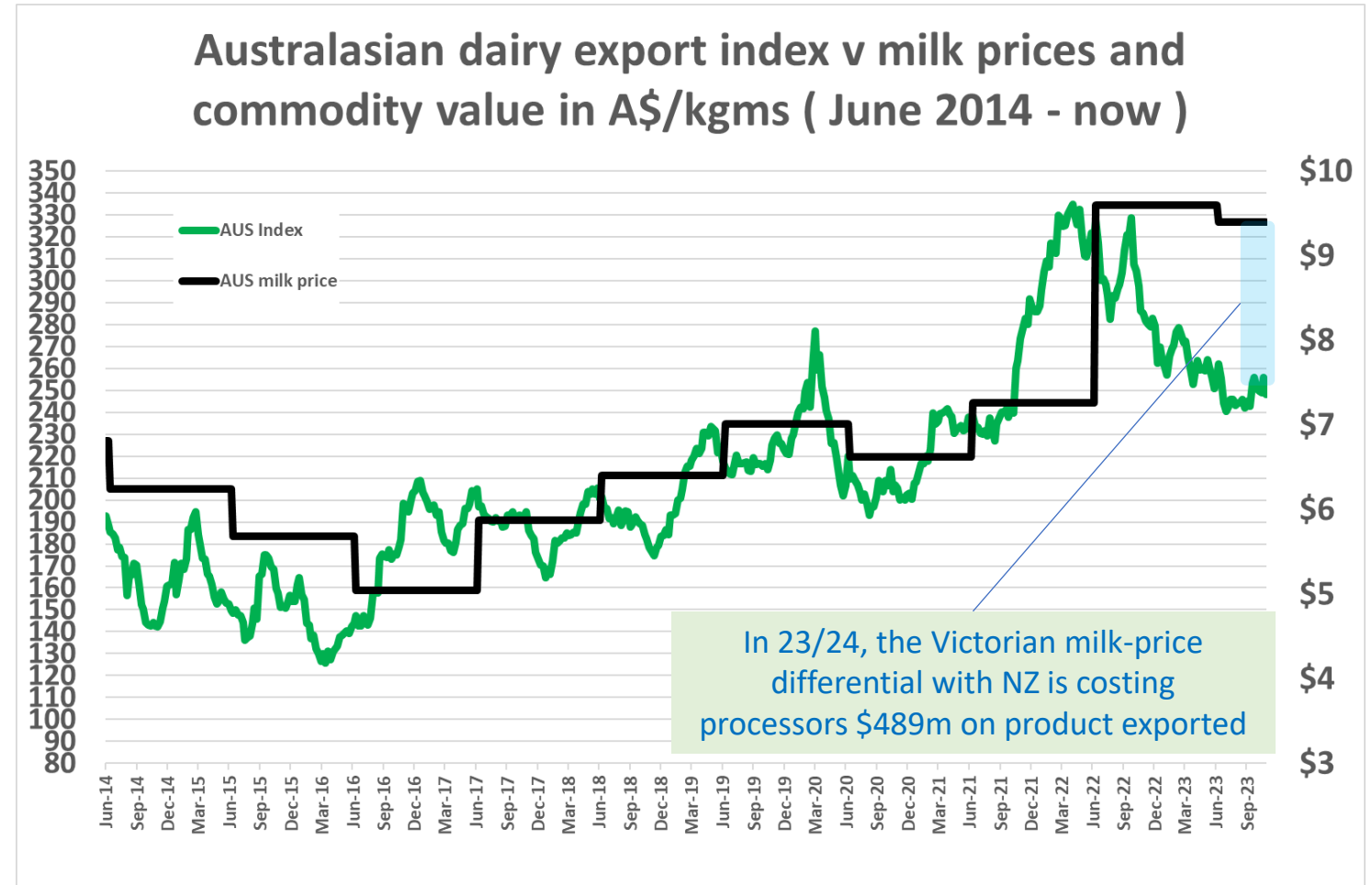


*includes purchased cream

Milk price follows commodities

Milk prices and commodity prices correlate over time and we expect greater alignment in the coming years

- 30% of Australian milk is exported and >60% is exposed to global commodities through direct imports into Australia of cheese and butter
- The current dislocation is caused by fierce competition in farm gate milk procurement followed by a significant fall in commodity values
- Global milk production has now turned negative, and commodity pricing has subsequently responded positively



Source: Fresh Agenda

Strategic plan financials

	F18 Actual	FY23 Actual	FY24	FY28	CAGR FY24 to FY28
Revenue (\$b)	1.25	3.37	3.4 – 3.55	3.9 – 4.2	3 – 5%
<i>Gross Margin (% Revenue)</i>	26%	19%	19 – 20%	23 – 26%	<i>Average > +1 pt increase per year</i>
Branded EBITDA (\$m)	48	144	190 – 200	250+	
Bulk EBITDA (\$m)	73	43	(15) – (10)	30 – 40	
Unallocated OH (\$m)	(11)	(27)	(25) – (20)	(40) – (30)	
Normalised EBITDA (\$m)	110	160	160 – 170	250+	
EPS Cents (normalised)	23.9	9.4	8 – 10	25+	25+%
ROFE	8.8%	4.2%	5 – 6%	10 – 12%	> +1 pt per year

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