



21 January 2022

**NZX/ASX Code: MFB**

## **MY FOOD BAG GROUP LIMITED – Q3 FY22 TRADING UPDATE**

My Food Bag Group Limited (MFB) provides this brief update in the interests of keeping the market informed of trading and operations following the conclusion of the third quarter of FY22 (Q3).

### *Q3 performance*

My Food Bag has continued to perform strongly. The preliminary net sales value (being revenue net of any customer credits and discounts) for the quarter was \$52.1m, up 15% on the prior comparable period (Q3 FY21). Deliveries for this period were approximately 388,000, up 9%.

At the end of Q3, My Food Bag had 71,085 active customers, up 1.5% on the prior comparable period.

The highlight for the quarter was undoubtedly the success of My Food Bag's Christmas offering. More Kiwis than ever trusted My Food Bag to deliver a Christmas box, with deliveries up 11.8% on the prior Christmas. The feedback from customers has been overwhelmingly positive and the business is delighted to have played its part in helping Kiwis celebrate Christmas with family and friends.

We also continue to see growth in the Kitchen and are working to develop it further as a source of highly valued solutions, beyond meals, for our customers.

Heading into the final quarter of FY22 (Q4), My Food Bag's lead indicators in terms of order value, order frequency and brand mix continue to track positively. The latest 'Fresh Start' campaign has also been launched and is performing strongly, with record deliveries being achieved for this brand.

### *Inflationary pressure*

Like all businesses, My Food Bag is experiencing increased inflationary pressure. This is especially evident in labour costs and produce pricing, the latter of which is expected to be further impacted by the drier conditions being experienced in New Zealand over the summer period. My Food Bag has plans in place to manage these cost pressures, but this remains a key area of focus in Q4.

From an operational perspective, My Food Bag continues to operate safely in accordance with its COVID-19 response protocols. Management is also taking the time now to prepare for a likely surge in Omicron cases in the community and expects to work closely with its suppliers and staff if and when that outbreak occurs to minimise the risk of any disruption to normal operations.

### *Senior leadership team*

As announced in December, My Food Bag has appointed a new Chief Supply Chain Officer, Paul Kelly, who is scheduled to start in March 2022. With Jo Mitchell (Chief Customer Customer) commencing during Q3, the My Food Bag senior leadership team has now been reset with experience and capability to help My Food Bag grow through its next phase as a listed company.

We look forward to introducing the newest members of My Food Bag's senior leadership team to investors at this year's annual meeting in August.



*Outlook*

Given the performance through the first three quarters of FY22 and the positive early trading in January, the Board is pleased to reaffirm its FY22 earnings guidance, as outlined in the Prospective Financial Information (PFI) provided at the time of the IPO. Consistent with statements made at My Food Bag's interim results in November, revenue is now anticipated to be slightly improved on the PFI, albeit this is not expected to result in an increase in earnings for the period given higher input costs and operating expenses associated with operating safely during the pandemic and introducing new product initiatives.

My Food Bag's FY22 results will be released in May 2022, with details to follow in the coming months.

**Authorised by:**

Board of Directors of My Food Bag Group Limited.

**Ends**

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