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My Food Bag resumes paying dividends with second half earnings up year on year

- Revenue of \$162.2 million, down 7.7% compared to FY23
- EBITDA¹ of \$16.0 million, compared to \$18.2 million in FY23
- NPAT of \$6.0 million, compared to \$7.9 million in FY23
- H2 NPAT of \$3.5 million, compared to \$2.0 million in FY23 H2 NPAT – up 75% year on year
- Bargain Box deliveries up 19.5% and an upweighted focus on each of the three core brands
- Successful implementation of pick technology, averaging 99% accuracy in H2 FY24
- Net debt reduced by \$3.5m to \$11.8m
- Fully imputed final dividend of 0.5 cent per share declared, payable on 20 June

Meal kit and food solutions business, My Food Bag Group Limited, today reported EBITDA of \$16.0 million for the twelve months to 31 March 2024 (FY24).²

While NPAT was \$6.0 million in FY24, compared to \$7.9 million in FY23, the business achieved a H2 NPAT of \$3.5 million compared to FY23 H2 NPAT of \$2.0 million – up 75% year-on-year. This demonstrates the success of the business' cost-out initiatives and realignment of its strategic pillars, as well as My Food Bag's resilience in a difficult macro-economic environment.

The average order value was \$129.54 across the year, marginally down from \$130.11 in FY23. This was largely driven by an upswing in Bargain Box customers, changing the business' brand mix.

Tony Carter, Chairman of My Food Bag, says this financial year marks a successful transition for My Food Bag's business.

"The steps we took in early 2023 to realign aspects of our business to reflect trading conditions, capitalise on market opportunities and add value for our customers is working.

"Against the backdrop of a difficult macro-economic environment, we have transformed our operations, and the second half of the year has demonstrated that having stabilised and reset the business we can continue to grow profit," says Carter.

Active customer numbers have remained relatively stable at 56,800 at the end of FY24, versus 57,500 at the end of FY23.³

Gross margin also remained stable at 48.5% across FY24, compared to 48.4% during FY23. While contribution margin was down slightly at 22.6% in FY24, versus 23.5% in FY23.

¹ EBITDA (earnings before interest, tax, depreciation and amortisation) is a non-GAAP measure. A reconciliation from GAAP NPBT to non-GAAP EBITDA can be found in the FY24 Annual Report.

² FY24 included a part 53rd week based on where My Food Bag's weekly delivery cycle fell in the financial year. This last delivery weekend coincided with Easter, which (as expected) had fewer deliveries and relatively higher labour costs. The earnings associated with this part 53rd week were materially lower than usual as a result. All reported numbers are inclusive of this part 53rd week.

³ Active customers are customers that have taken at least one delivery in the 13 weeks prior.



“We remain a profitable business with a strong brand and customer offer, and the ability to take a greater share of New Zealand’s online food market,” says Carter.

Based on FY24 performance and performance during the start of FY25, the Board is pleased to resume paying dividends and confirms a fully imputed dividend of 0.5 cent per share for FY24.

Business highlights

Mark Winter, CEO of My Food Bag, says: “Throughout FY24, we transformed our operations, upweighting our focus on each of the three core brands to highlight the unique value propositions of the My Food Bag portfolio to current and future customers.

“We have a broad range of meal kit and food solutions that sets us apart from our competitors, and building on the unique properties and proposition of each brand means we’re able to meet more specific customer needs and appeal to a wider audience.

“One of our standout achievements was the successful implementation of pick technology at our distribution centres.

“Not only did this enable us to consolidate our two previous Auckland operations into a single site, but we have seen continued improvement in the operating performance, increasing throughput rates and further reducing quality issues for our customers.

“We averaged 99% accuracy across all types of customer quality issues, which translates into reduced customer credits as well as increased customer satisfaction scores,” says Winter.

Outlook

Convenience, health and wellness, and e-commerce are sustaining trends in the retail food sector, and on all of these fronts My Food Bag is well-positioned to continue delivering for its customers.

Winter says: “My Food Bag recognises that market conditions will remain challenging in the year ahead.

“To counter this, we will invest further for the health and growth of our business, via four key priority areas: further strengthening our brand, continuing to improve convenience, building a seamless customer experience, and fuelling our offer with unique ready-made solutions.

“All this ladders up to driving active customer numbers by better delivering to customer lifestyles now and in the future,” says Winter.

We are encouraged by the start to FY25, with the first 8 weeks of trading showing overall net sales and active customers (59,009) broadly in line with the prior year and our partnership with the New Zealand Olympic Team having been successfully launched.

The Board expects to continue to pay dividends in FY25.

End



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