



FY25 H1

results



21 November 2024

PRESENTING *today*



Mark Winter
Chief Executive Officer



Louise Newsome
Chief Financial Officer

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SIX MONTHS IN *review*



REVENUE

\$82.2m

Down 1.9% on FY24 H1



NPAT



\$3.0m

Up from \$2.5m in FY24 H1

EBITDA*

\$7.8m

With a contribution margin of 24.1%

AVERAGE ORDER VALUE (AOV)

\$128.0

Down 0.5% on FY24 H1

ACTIVE CUSTOMERS**

60.1k

Compared to 56.8k at the end of FY24

GROSS MARGIN %

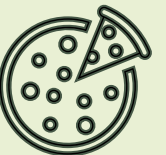
49.8%

Compared to 47.9% in FY24 H1

INTERIM DIVIDEND DECLARED

0.65cps

Fully imputed to be paid in December



* EBITDA is a non-GAAP measure. A reconciliation from GAAP NPBT to non-GAAP EBITDA can be found in the appendices.

**Active Customers are defined as the number of unique customers who have purchased in the last 13 weeks

SIX MONTHS IN *review*



Continued product enhancements and brand investment resulting in a stable active customer base



UX redesign of our customer buying journey across web and mobile to provide a seamless buying experience for our customers



Preparation for the launch of My Food Bag Shop in November, opening up a new customer segment through one-off purchase and shorter lead time



Extended our delivery network and increased the number of delivery times to enhance customer convenience



Launched our new purpose “Helping Aotearoa New Zealand Eat and Live Well”



Higher free cash flow resulting in a further reduction of net debt by \$2.1m since March 2024



**HELPING
AOTEAROA
NEW ZEALAND**



**EAT &
LIVE WELL**



1 BUSINESS *update*



We will win by growing active customers

Improving our customer's experience in FY25



Be relevant and drive active customers by delivering flexibility, convenience, and great value



Strengthen brand power

Utilise our brand portfolio to win in meal kits and meal solutions



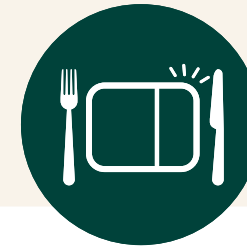
Step change convenience

Our meal solutions suit more consumers lifestyles



Seamless customer experience

Every interaction with My Food Bag is easy, inspiring and reliable



Fuel MFB with ready made solutions

Introduce new consumers to MFB via ready-made offerings & new product strategies

Helping Aotearoa New Zealand eat and live well

Driving productivity and growth through innovative solutions

Culture

Community

Technology & Data

Our Winning Brand Portfolio

Active customer base has grown since March 2024 off the back of continued investment in our brands



My Food Bag strong partnerships and product improvements

- Official partner of the NZ Team in the 2024 Paris Olympics – supported by a powerful marketing campaign driving strong customer engagement.
- Sponsor of Nadia's Farm TV show – including recipes inspired by the show featuring on the menu.
- Relaunch of Gluten Free bag and additional Low Carb options.

Bargain Box continues to grow in customers as NZ's most affordable meal kit

- Enhanced quality perception through PR and media campaigns highlighting affordable, high-value New Zealand ingredients and meal solutions – including value comparisons vs supermarkets.
- Winner of Canstar Award for “Most Satisfied Customers” for the 4th year in a row.

Fresh Start Reset attracting loyal customers

- Improved 8 week Reset with new incentives attracting an increase in sign ups.
- New innovation in recipes including the introduction of High Protein, alongside recipe collaborations including Ripe Deli and Little Bird.



Enhancing Customer Experience

Providing a seamless and convenient purchasing experience to improve conversion and loyalty



Redesigned the user experience of our mobile and web platforms to provide a seamless buying experience

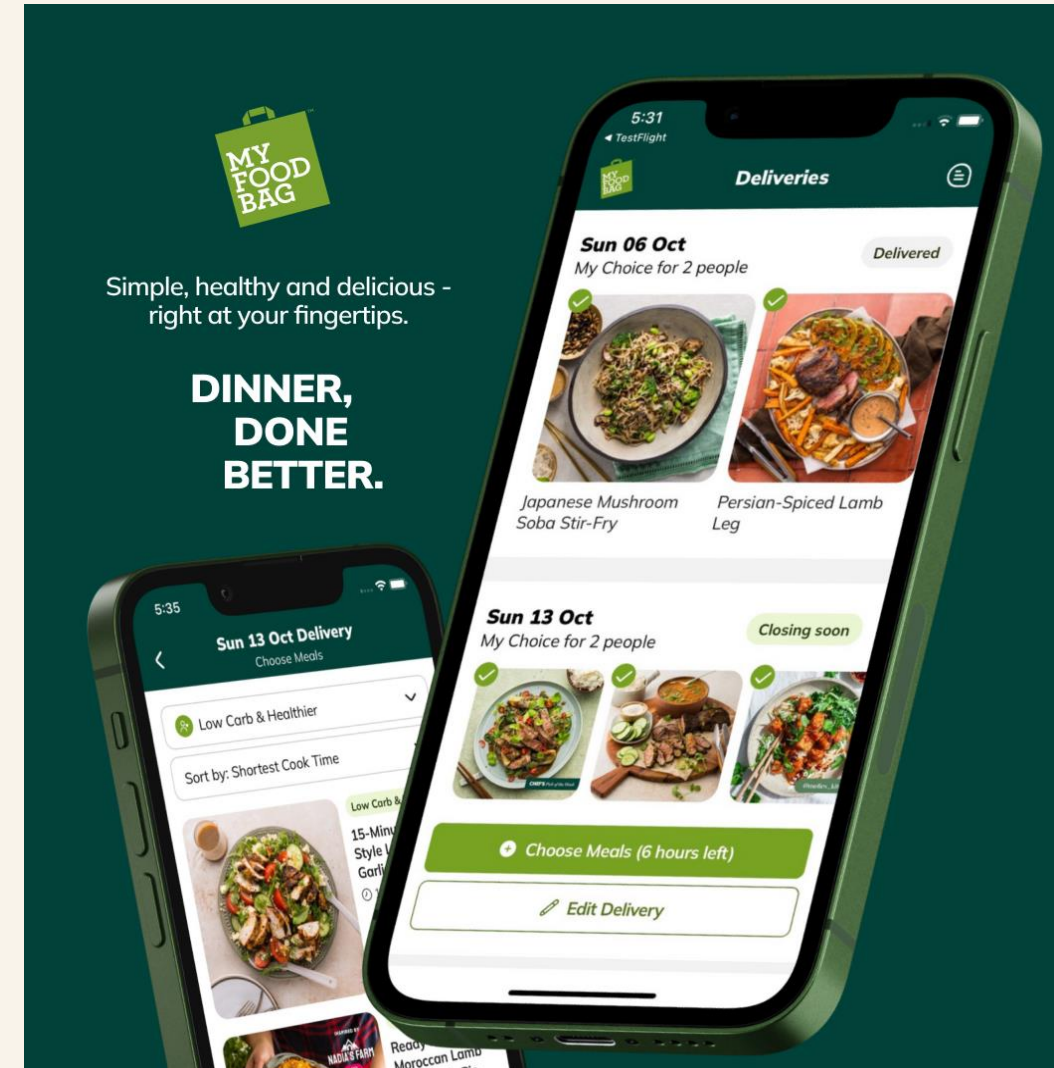
- New features include:
 - Preference setting for a more personalised experience
 - Ability to view saved, upcoming, and past recipes
 - A faster purchasing experience
- Full re-platform including new Android and Apple mobile apps launched

Expanding our network and delivery service to provide flexibility for our customers

- New delivery windows including a twilight option for public holidays (6pm-9pm) and a regular early bird slot for Auckland customers enabling them to get their delivery earlier on a Monday from 7am
- New delivery routes opened

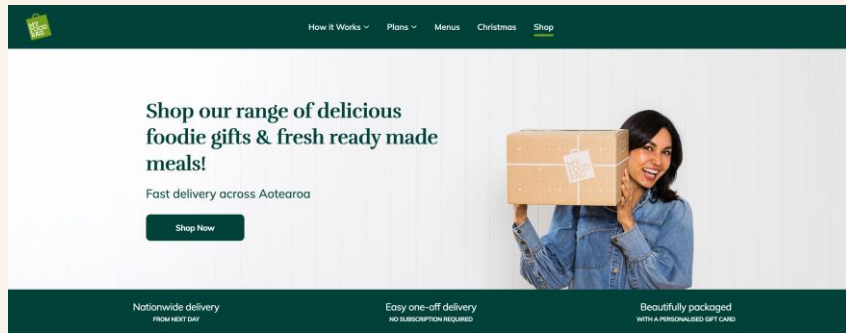
Continued focus on quality enabled by implementation of pick technology

- Picking accuracy improvements has led to higher customer satisfaction and reduced customer compensation
- Resulted in Net Promoter Scores being up 8ppt YoY across the half



The My Food Bag Shop

A new flexible operating model to appeal to more people and build a new revenue stream



The My Food Bag Shop

- A new range of one off products that meet new occasions and needs
- Initial product range includes care packages, ready-made meals and gifting solutions
- A short lead time solution with nationwide delivery within 48 hours

Growing Active Customers

- Building on convenience and flexibility, and providing great value to our existing meal kit customers
- Opens up a new customer segment for people who want one-off purchases without a subscription
- The initial phase provides an opportunity to learn what our customers want and take advantage of our existing capabilities to increase sales during quieter times of the week

Care Packages



Mini Care Package
\$99.99



Large Care Package
\$299.99



Show Them You Care
\$199.99



Get Better Soon
\$229.99

Ready Made Meals



Nadia's Royalbun Gift Box
\$99.99



Dinner Made Easy
\$69.99



Classic Ready Made Meal Bundle
\$64.99



Family Ready Made Meal Bundle
\$79.99

Our People

Strengthening our culture and capability for the future



Operational Excellence program

- Introduced in August, the aim is to ensure continuous improvement across our operations to further strengthen our processes and standards
- Focusing on driving efficiency and customer experience with an emphasis on eliminating waste

Culture and Engagement

- Launch of our new purpose “Helping Aotearoa New Zealand Eat & Live Well”
- Winner of the 2degrees Central Auckland business awards for Employer of the Year

DE&I activities

- Continued focus on cultural understanding and wellbeing through celebrations of Te Wiki o te Reo, Matariki, other Pasifika language weeks and Mental Health Awareness week



Continuing Our Local and Community Impact

Celebrating our local suppliers and the quality they deliver

- Our commitment to local has continued with more than 98% of our fresh protein and produce being sourced from NZ
- Finalist for the NZ Food Awards, testament to the high-quality ingredients from our NZ suppliers
- Inaugural My Food Bag Supplier of the Year Awards held in October

Supporting community within My Food Bag

- Proudly partnered with organisations that share our values of promoting the wellbeing of New Zealanders. We recently worked with 'A Supported Life' to help people living with disabilities into employment.

Using our brand to build our impact across Aotearoa

- Worked with our suppliers on initiatives such as shifting from ingredient delivery in cardboard boxes to reusable crates in our distribution centres to reduce our packaging usage
- Continued support of NZ charities including the Kindness Collective, Breast Cancer's Pink Ribbon Breakfast, the Cancer Society's Daffodil Day and our on-going partnership with Garden to Table



2 FINANCIAL

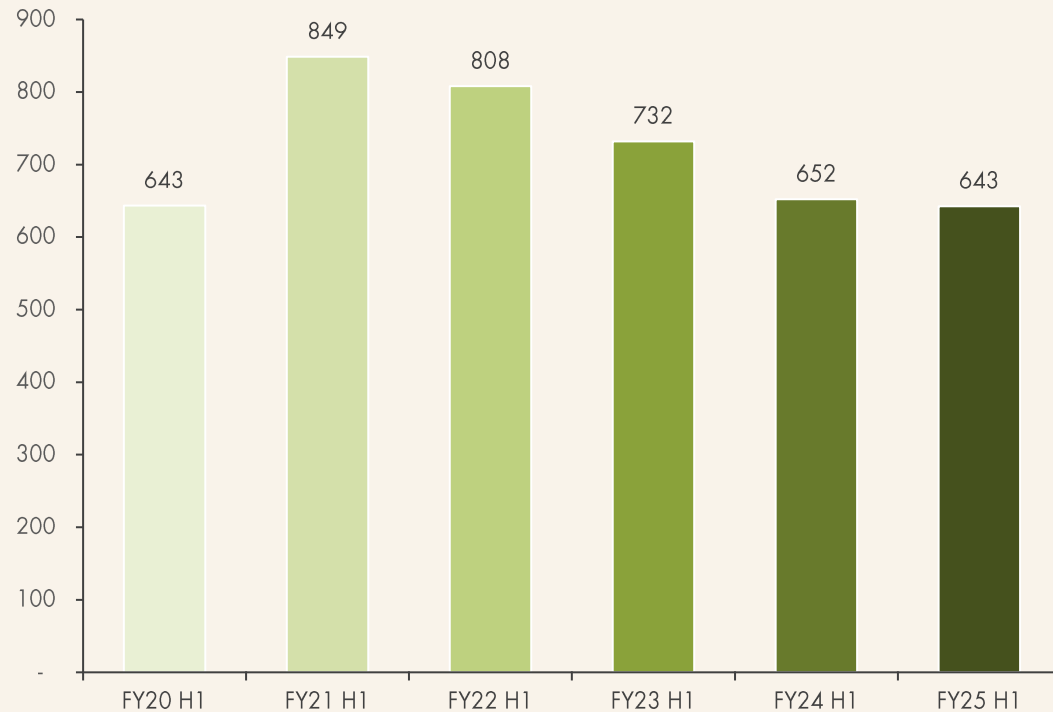
overview



Deliveries performance

Deliveries stabilised in line with prior year

Deliveries (000's)



- Deliveries flat to prior year despite a challenging economic environment limiting consumer spending
- Bargain Box continues to perform well, supporting our customers in the current economic climate
- Targeted discount offerings resulting in consistent order frequency
- Investment in brand campaigns such as the partnership with the NZ Team for the Olympics is having a positive impact on loyalty and retention
- Continued to enhance product offerings e.g. the launch of Gluten Free and Low Carb options has provided customers with a wider variety of choice to suit different lifestyles

Financial Performance

A solid start to the year with benefits resulting from our focus on operational efficiency

Key Metrics Overview	FY25 H1	FY24 H1	YoY Movement %	FY23 H1	FY22 H1	FY21 H1	FY20 H1
Deliveries ('000)	643	652	-1.5%	732	808	849	643
Average Order Value	128.0	128.5	-0.5%	129.0	121.8	124.0	120.2
Revenue \$m	82.2	83.8	-1.9%	94.4	98.4	105.3	77.3
Gross Margin \$m	40.9	40.2	1.9%	46.5	47.3	46.9	33.7
Gross Margin %	49.8%	47.9%	1.9ppt	49.3%	48.1%	44.5%	43.5%
Contribution Margin \$m	19.8	18.5	7.1%	23.9	25.9	24.7	16.7
Contribution Margin %	24.1%	22.0%	2.1ppt	25.3%	26.3%	23.5%	21.6%
EBITDA \$m	7.8	7.4	5.7%	11.5	15.8	14.3	6.9
NPAT \$m	3.0	2.5	17.8%	5.9	9.4	7.6	3.2

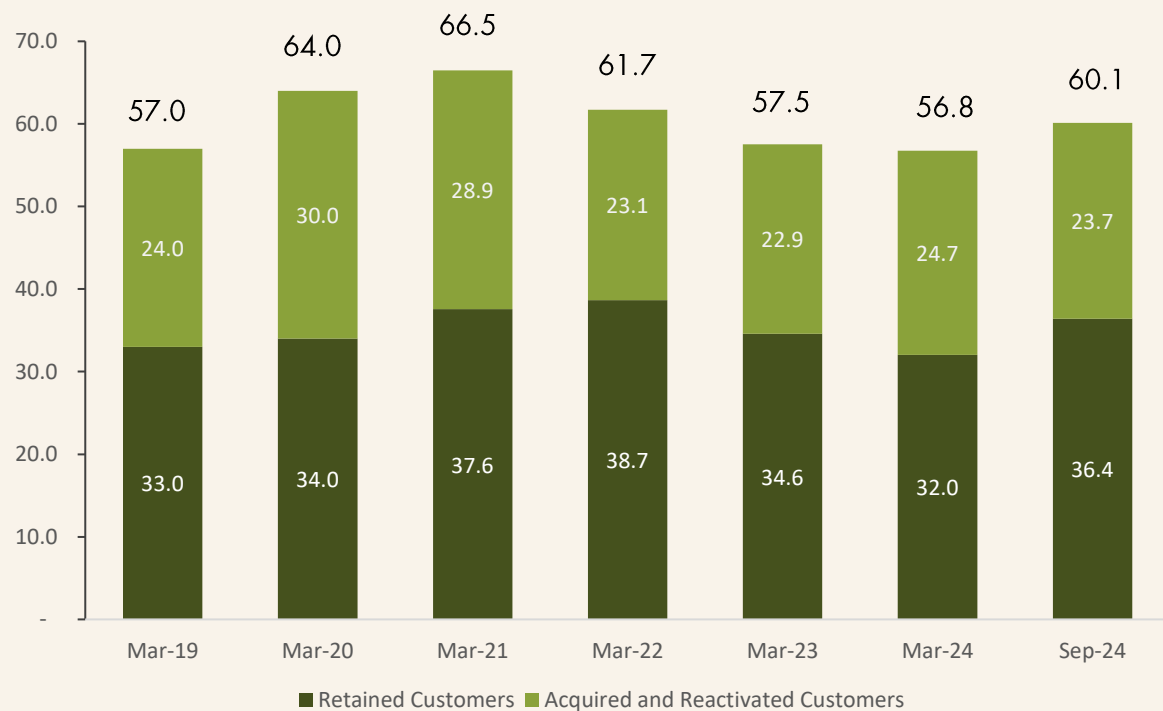
- Revenue and Average Order Value are impacted slightly by a continued investment in discounting resulting in consistent order frequency and stabilising our active customer base
- Gross margin is up 1.9ppt attributable to favourable ingredients pricing
- Contribution margin is up 7.3%. Distribution cost pressures are offset by our continued focus on operational efficiency enabled by our investment in Pick to Light technology and Auckland site consolidation
- H1 EBITDA improved 5.7% and NPAT 17.8% compared with FY24 H1

*YOY movement % based on unrounded figures

Focus on sustainable active customer growth

Marketing segmentation, loyalty and data initiatives are helping to driving quality new customer growth

Active Customers Split (000's)

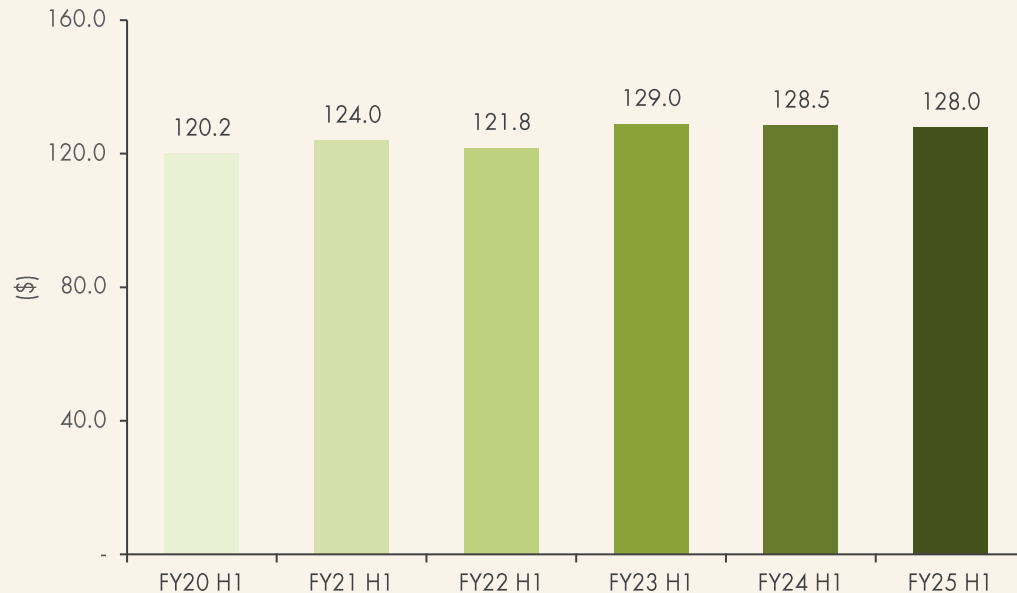


- Whilst operating in a tough consumer trading environment, we've grown active customers throughout the year and further stabilised our customer base
- Marketing segmentation efforts helped attract quality new active customers with new customer frequency 6% higher than FY24 H1
- Data and loyalty initiatives helped to understand our existing active customers better and equipped us to maintain frequency and customer retention rates

Average Order Value

Bargain Box continues to be a key driver of average order value

Average order value (\$)



Average Order Value was \$128.0, down -0.5% on FY24 H1 driven by:

- Higher indexing to Bargain Box relative to other brands
- Mix of My Food Bag extra items as we continue to deliver a range of competitively priced essentials for our customers
- Ongoing investment in discounting - targeted initiatives have resulted in stable frequency

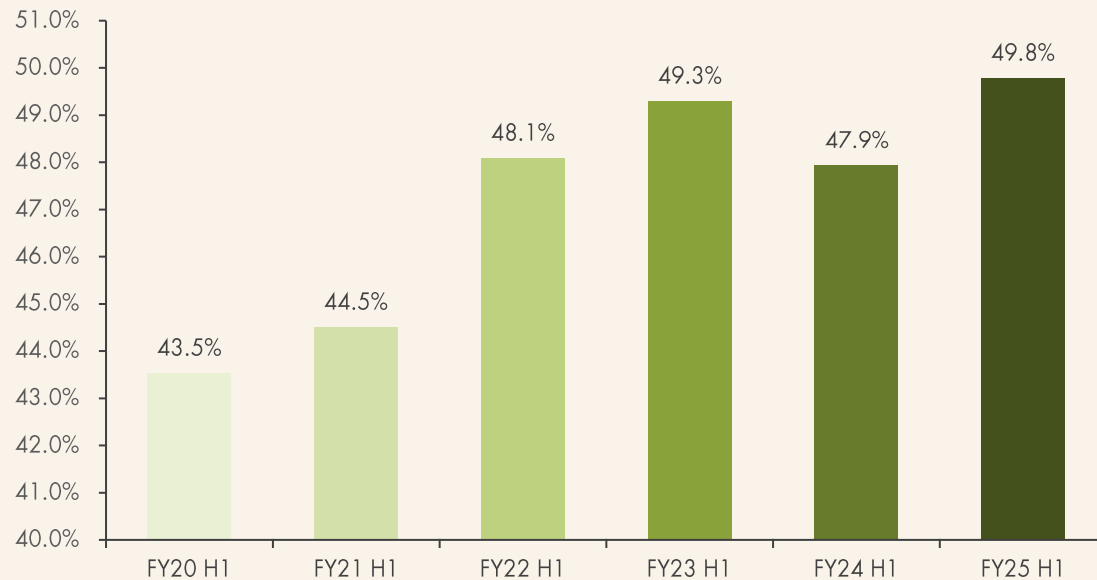
This reduction is largely offset by:

- Small price increase in My Food Bag to recover some input cost pressure
- Improved operating service levels requiring lower compensation to customers

Improved Affordability Despite an Inflationary Environment

Margin improvement of 1.9ppt driven by favourable growing conditions and competitive produce pricing

Gross Margin %

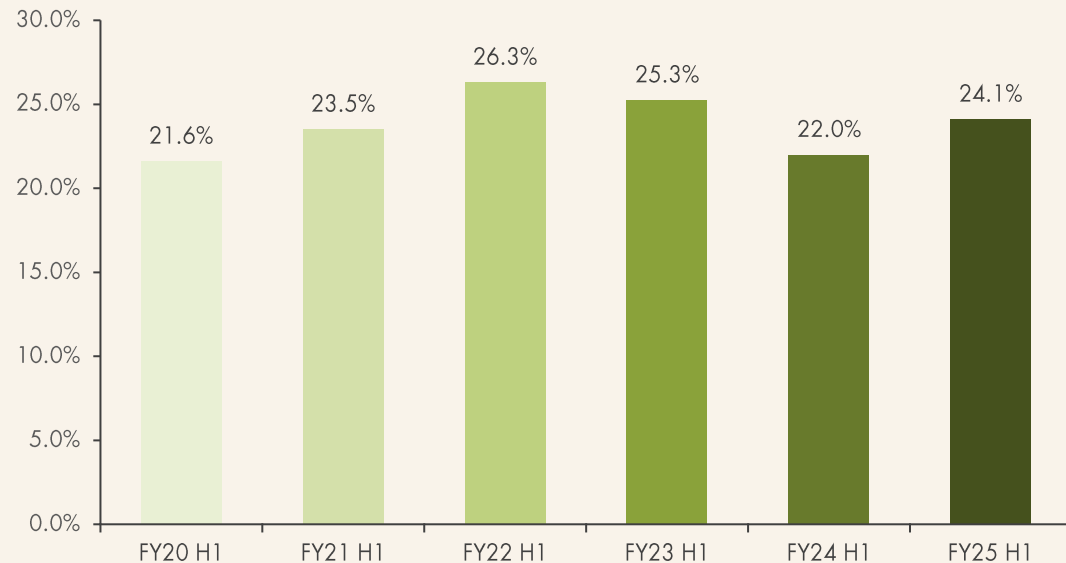


- Gross margin was 49.8% up 1.9ppt since FY24 H1
- Focus on purchasing directly from growers for produce has enhanced our ability to obtain competitive pricing
- Produce prices have also benefited from recent favourable growing conditions
- Use of recipe development and ingredient substitution whilst retaining consistent quality for customers

Contribution margin

Distribution cost pressures are offset by assembly efficiencies

Contribution Margin %



- Contribution margin is up 2.1ppt compared to FY24 H1
- Distribution cost pressures coming from contractual and network changes
- Continued focus on driving efficiency in labour and overheads, enabled by implementation of Pick to Light technology and the consolidation of Auckland assembly centres in 2023

Balance sheet continues to see debt reduction

Summary balance sheet (\$m)	FY25 H1	FY24 H1
Assets		
Cash and cash equivalents	1.8	0.2
Working capital assets	2.3	4.2
Property, plant, and equipment	7.4	8.5
Right-of-use assets	7.5	9.1
Intangible and other assets	86.6	85.8
Liabilities		
Bank overdraft	-	(1.8)
Working capital liabilities	(11.5)	(15.1)
Lease liabilities	(8.5)	(10.4)
Bank debt	(11.5)	(12.4)
Other liabilities	(7.4)	(7.1)
Equity	66.6	60.8

- Net debt has reduced by -\$2.1m from 31 March 2024 with surplus cash being used to reduce debt. This is a reduction of -\$4.4m from 30 September 2023
- No significant capital purchases in FY25 H1 with the movement in PPE being depreciation
- Total debt facilities of \$30m in place

Higher free cash flow allows interim dividend payment while debt continues to reduce

Summary cash flow (\$m)	FY25 H1	FY24 H1
Net cash from operating activities	6.3	4.9
Lease principal payments	(1.1)	(1.3)
Capex	(1.8)	(2.5)
Free cash flow	3.3	1.1
EBITDA*	7.8	7.4
Lease payments	(1.4)	(1.6)
Pre-IFRS 16 EBITDA	6.4	5.8

- Net cash from operating activities is \$6.3m, up \$1.4m on FY24 H1
- Reduced capex spend supporting stronger cash flow whilst still driving growth initiatives with spend relating to the Shop and UX project
- An interim dividend of 0.65cps has been declared to be paid in December 2024
- This dividend payment is at a level that will allow the continued reduction of debt and preservation of cashflow

*EBITDA is a non-GAAP measure. A reconciliation from GAAP NPBT to non-GAAP EBITDA can be found in the appendices.

3 FY25 *outlook*



FY25 Trading Conditions and Outlook

- Recent trading reflects a continuation of the trends seen in the first half of the year and we expect to continue trading broadly in line with prior year
- The stabilisation of active customers and deliveries provides us with a strong platform from which to grow
- We are continuing to invest in our brands and the My Food Bag Shop to support the focus on growing active customers
- We will continue to drive operational efficiencies while preserving quality and an excellent customer experience
- Capex requirements are forecast to be lower than prior year of \$3.5m
- The Board has declared an interim FY25 dividend of 0.65 cent per share and expects to pay a final FY25 dividend

4 APPENDICES



Statement of Comprehensive Income

Statement of Comprehensive Income (\$m)	FY25 H1 Actual	FY24 H1 Actual	YOY Movement %
Income	82.2	83.8	(1.9)%
Cost of Goods Sold	(41.3)	(43.6)	(5.4)%
Gross Margin	40.9	40.2	1.9%
Assembly and Distribution	(21.1)	(21.7)	(2.7)%
Contribution Margin	19.8	18.5	7.3%
Indirect Expenses	(12.0)	(11.1)	8.3%
EBITDA	7.8	7.4	5.7%
Depreciation and Amortisation	(2.8)	(2.9)	(0.6)%
EBIT	4.9	4.5	9.6%
Interest and Funding	(0.8)	(1.0)	(17.8)%
Net Profit Before Tax	4.1	3.5	17.5%
Income Tax Expense	(1.2)	(1.0)	16.8%
Net Profit After Tax and Comprehensive Income	3.0	2.5	17.8%

*YOY movement % based on unrounded figures

Reconciliation of GAAP to non-GAAP financials

Reconciliation of GAAP to non-GAAP financials (\$m)	FY25 H1 Actual	FY24 H1 Actual	YOY Movement %
Net Profit Before Tax	4.1	3.5	<i>17.5%</i>
Add Back:			
Depreciation and amortisation	2.8	2.9	<i>(0.6)%</i>
Net financing costs	0.8	1.0	<i>(14.6)%</i>
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	7.8	7.4	<i>5.7%</i>

*YOY movement % based on unrounded figures

THANK
you



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