LYNCH GROUP HOLDINGS

1H FY25 INVESTOR PRESENTATION

19 FEBRUARY 2025

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In certain places within the presentation, the rounding of figures may result in some immaterial differences between the sum of components and the totals outlined within graphs and percentage calculations. Segment revenue is stated excluding intersegment revenue eliminations. Historical numbers may be Underlying or Non-AASB financial measures as defined in the Directors' report in the Company's annual report. Cash conversion is calculated as cash generated from operations divided by EBITDA. Working capital is the sum of trade and other receivables, Inventories, and other assets less the sum of trade and other payables, current tax liabilities, lease liabilities and provisions. Net debt / EBITDA is calculated as cash and cash equivalents less borrowings less lease liabilities divided by EBITDA. Revenue per sqm reflects farm revenue in a period divided by the average number of square meters of productive farmland used to grow sellable product.

Australian information includes 26 weeks for all periods other than 1H FY23 which includes 27 weeks. The working currency of the China segment is RMB. As such there may be foreign exchange gains or losses when comparing this segment against prior periods or forecast. The 1H FY25 RMB / AUD P&L foreign exchange rate is 4.73 (1H FY24: 4.75) and the closing 1H FY25 RMB / AUD balance sheet foreign exchange rate is 4.53 (FY24: 4.82).

Agenda and contents

1H FY25 KEY DRIVERS

HUGH TOLL

CHIEF EXECUTIVE OFFICER

1H FY25 KEY DRIVERS

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Revenue growth and small margin improvement demonstrate stability in Australia

Consumer confidence remained weak in China

Group

1H FY25 Group Revenue of $196.5m, up 5.3% on 1H FY24

1H FY25 Group EBITDA of $16.5m, down 0.8% on 1H FY24

Australia

Revenue growth of 3.9%, with resilient demand for supermarket floral product, supported by new brand launches during the half

EBITDA of $14.6m at 8.9% margin, a 20bp improvement in margin from 1H FY24 demonstrating stability in a period of constrained consumer spending

China

Revenue growth of 19.7%, with growth in tulip and export volumes, set against weak prices for roses

EBITDA of $1.9m at 4.4% margin, as domestic consumer confidence and spending remained weak for discretionary purchases

Flourish

Second annual sustainability report released establishing the ongoing framework for material sustainability pillars – waste, carbon emissions, water, packaging, biodiversity and people & community

AUSTRALIA

GROWTH IN FLORAL DEMAND AND MARGIN IMPROVED

LYNCH GROUP

Australia, A$ m	1H FY25	1H FY24	YOY
Revenue	163.7	157.6	3.9%
EBITDA	14.6	13.7	7.2%
Margin	**8.9%**	**8.7%**	**20bp**

Revenue growth of 3.9%

- Floral category growth of 8.4% with resilient demand for quality supermarket product and momentum continuing into the second half
- Launch of new brands contributed to 1H floral growth
- SOR store numbers steady at 26% of major customer network
- Plants category decline of 15.8% as consumer demand resets from the peaks of 2021 / 2022

EBITDA of $14.6m is up 7.2% outperforming revenue growth due to a combination of range management, maturation of profit improvement initiatives and disciplined cost control

EBITDA margin of 8.9%, a 20bp improvement from 1H FY24 demonstrating stability in a period of constrained consumer spending

Key Christmas event proved challenging due to industrial action impacting a major customer, however still delivered a satisfactory result following collaborative efforts between teams

Automated bouquet making lines added into NSW during the half, improving labour productivity, particularly during major events

SAP system upgrade well progressed with the project’s first phase expected to be completed within FY25 with costs of c. $1.5m on time and budget

CHINA

DOMESTIC CONSUMER CONFIDENCE AND DEMAND REMAINED CONSTRAINED

China, A$ m	1H FY25	1H FY24	YOY
Revenue	43.6	36.4	19.7%
EBITDA	1.9	3.0	(36.8%)
Margin	**4.4%**	**8.3%**	**(390bp)**

Revenue growth of 19.7%

- Increase in domestic tulip volumes of c.50% during the half with ASP similar to 1H FY24
- Increase in domestic rose volumes offset by moderate declines in ASP, leading to neutral revenue outcome compared to 1H FY24
- Export revenue has increased with additional volumes exported to Australia during current period of weaker domestic pricing

EBITDA of $1.9m is down 36.8% with rose pricing continuing to underperform in environment of weak spending

Chinese government policies announced in 1H FY25, aimed at stimulating the economy, are yet to deliver a noticeable improvement with no discernable change in conditions or sentiment during the half

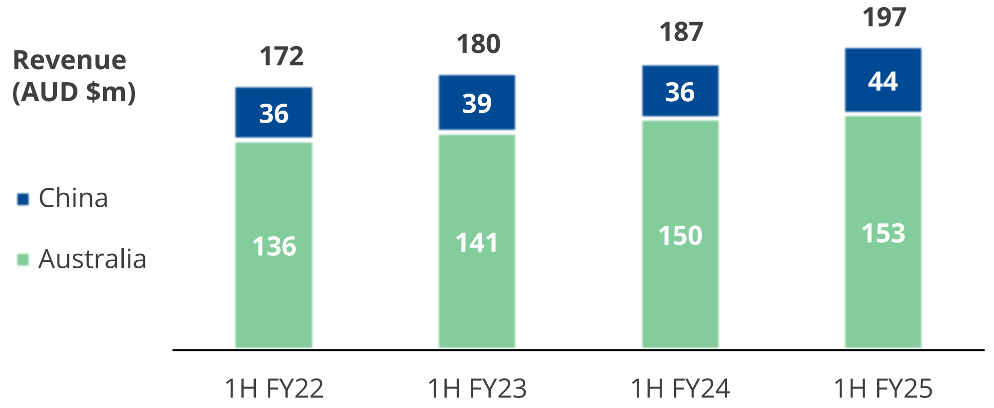
Operational execution and costs were well controlled with volume improvements achieved and costs in line with expectations. 1ha of additional land developed to bring total to 85ha

Enhancing downstream distribution capabilities and broadening channel and customer reach from Kunming, Shanghai and Guangzhou continues to progress

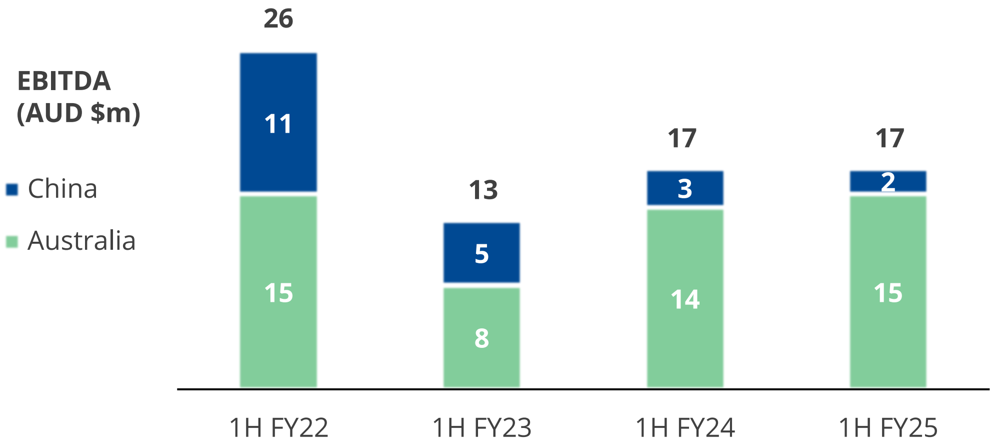
1H FY25 FINANCIAL REVIEW

STEVE WOOD
CHIEF FINANCIAL OFFICER

FINANCIAL PERFOMANCE – 1H FY25



Australia revenue shown net of intersegment eliminations. Australia revenue for 1H FY23 includes 27 weeks, all other periods include 26 weeks



Revenue of $196.5m, up 5.3% on 1H FY24

EBITDA of $16.5m, down 0.8% on 1H FY24 and at the midpoint of guidance of $16m - $17m

EBITDA margin of 8.4% down 50bp on 1H FY24 with improvement in Australia and decline in China

NPATA of $1.1m, down 51% on 1H FY24, with Australia positive and China loss making during the half

Cash conversion of 46% with seasonal unwind of working capital expected in 2H – below prior year due to timing of customer receipts

Interim dividend for 1H FY25 of 5.0 cents fully franked declared (up 1.0 cents on 1H FY24)

AUSTRALIA

REVENUE GROWTH WHILST IMPROVING EBITDA MARGIN

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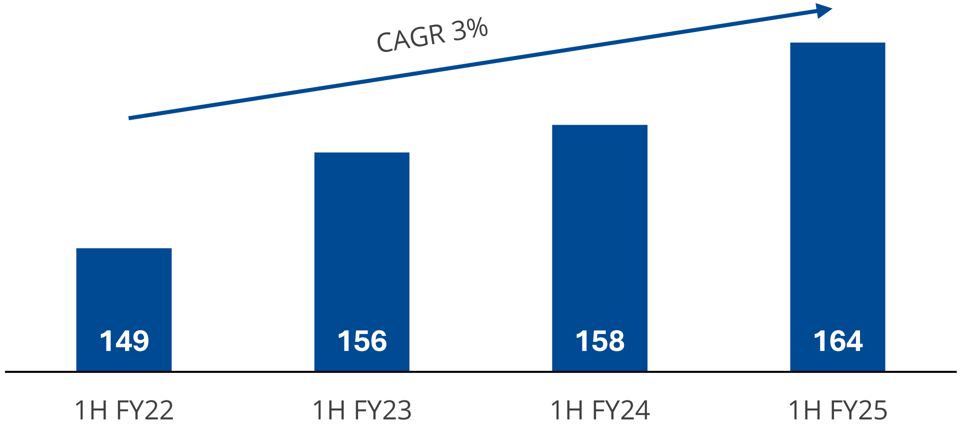
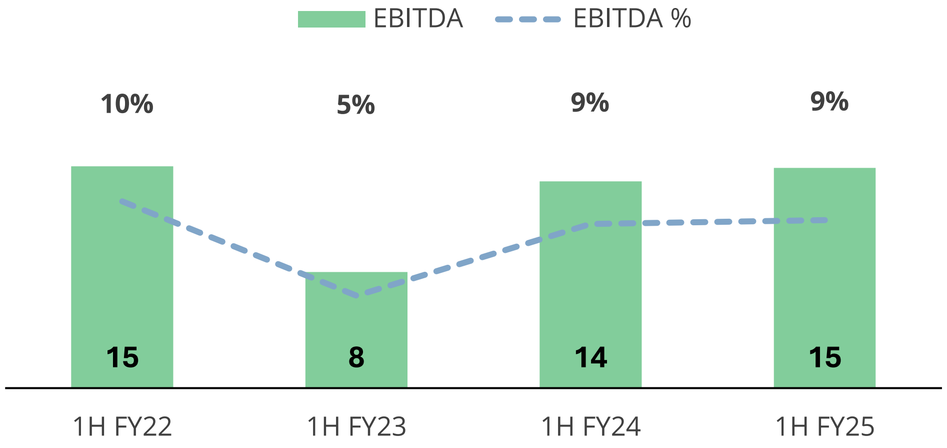
Australia revenue (AUD $m)



1H FY23 revenue includes 27 weeks, all other periods include 26 weeks

Australia EBITDA (AUD $m)



3.9% revenue growth, driven by flowers category (up 8.3%)

Plants category continuing reset from peak, down 15.8%

Profit improvement initiatives realised supporting EBITDA margin

SOR store numbers stable at c.26% of key customer network and continues to grow faster than core stores

International freight rates largely normalised excluding China

Excludes SAP upgrade costs which have been treated as underlying adjustments to EBITDA

CHINA

INCREASES IN EXPORT AND TULIPS OFFSET AGAINST WEAK PRICING FOR DOMESTIC ROSES

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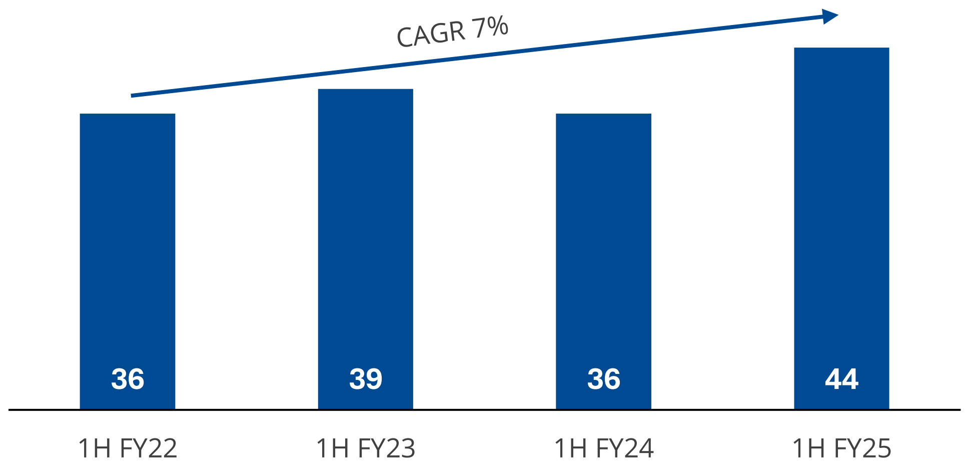
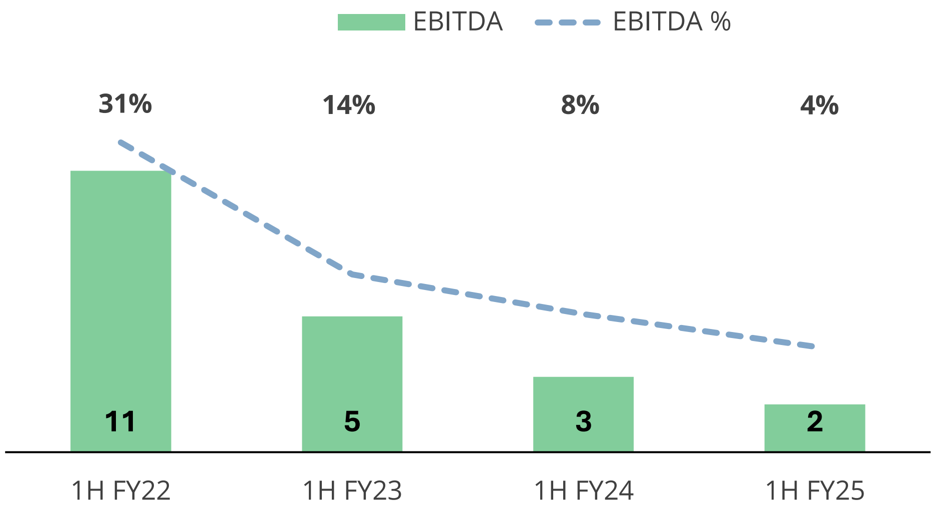
China revenue (AUD $m)



China EBITDA (AUD $m)



19.7% revenue growth, driven by higher volumes for tulips and export

Declines in domestic rose pricing partially offset by increased volumes

Additional 1ha of productive land developed during the half – total now 85ha

c. 50% increase in 1H tulip bulbs with ASP similar to 1H FY 24 levels

Export revenue up as more product distributed to markets including Australia

EBITDA margins remain subdued from weak domestic pricing – farms costs in line with expectations

PROFIT AND LOSS STATEMENT

Group P&L, A$ m	1H FY25	1H FY24	% YOY
Revenue	196.5	186.6	5.3%
Raw materials, consumables and other direct costs	(156.3)	(146.7)	(6.6%)
Operating margin	**40.2**	**39.9**	**0.7%**
Operating margin %	*20.5%*	*21.4%*	*(90bp)*
Other income	0.3	0.1	NA
Operating expenses	(24.0)	(23.3)	(3.1%)
EBITDA	**16.5**	**16.7**	**(0.8%)**
EBITDA %	*8.4%*	*8.9%*	*(50bp)*
Depreciation and amortisation	(13.0)	(12.1)	(7.4%)
Financing costs	(3.5)	(3.3)	(6.7%)
(Loss)/profit before tax	**(0.0)**	**1.3**	**(100.2%)**
Income tax expense	(1.5)	(1.6)	7.6%
Loss for the year	**(1.5)**	**(0.3)**	**(325.8%)**
Amortisation of acquired intangibles	2.6	2.5	0.2%
NPATA	**1.1**	**2.2**	**(51.5%)**
NPATA %	*0.5%*	*1.2%*	*(70bp)*

Refer to supplementary materials for reported to statutory reconciliation

Revenue growth of 5.3%
- Continuation of stable demand in Australia with revenue up 3.9%
- Increases in China from tulips and export with roses similar to 1H FY24
- Increased intersegment eliminations from increase in exports to Australia

Operating margin down 90bp from reduced contribution from China, Australia operating margin in line with 1H FY24

Operating expenses increase of 3.1% with costs tracking below inflation for the half

EBITDA margin decline of 50bp with a slight improvement in Australia and China below 1H FY24 levels

Depreciation and amortisation includes $6.4m in relation to property, plant and equipment, $3.6m in relation to right-of-use assets, and $3.0m in relation to intangible assets

Financing costs and income tax expense are similar to 1H FY24 levels

CASH FLOW

Group Cash flow, A$ m	1H FY25	1H FY24	YOY
EBITDA	**16.5**	**16.7**	**(0.1)**
Changes in working capital	(8.9)	(5.6)	(3.3)
Cash generated from operations	**7.6**	**11.0**	**(3.4)**
Cash conversion %	*46%*	*66%*	*(20%)*
Leases, interest, tax, maintenance CAPEX	(9.4)	(10.8)	1.4
Operating cash flow	**(1.8)**	**0.3**	**(2.1)**
Growth CAPEX	(2.5)	(5.5)	3.0
Free cash flow	**(4.3)**	**(5.2)**	**0.9**
Dividends	(9.8)	(8.5)	(1.2)
Borrowings	(0.4)	-	(0.4)
Underlying adjustments	(1.2)	-	(1.2)
Movement in foreign exchange rate	0.4	0.3	0.2
Net cash flow	**(15.3)**	**(13.5)**	**(1.8)**

A reconciliation of statutory net cash generated by operating activities to cash generated from operations and further detail on underlying adjustments are included in the supplementary materials

Cash conversion of 46%
- Affected by timing of customer receipts, adjusting for this, cash conversion would have been c.62%
- Substantial unwind of first-half working capital deficit expected in 2H

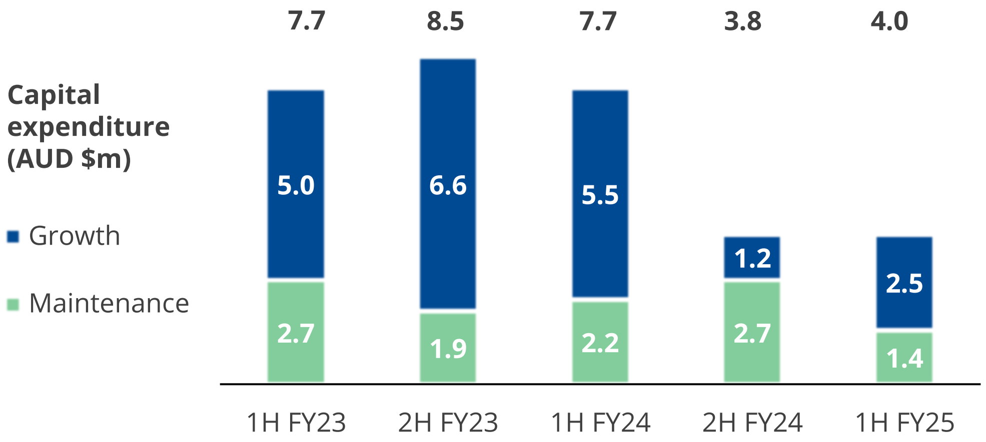
1H FY25 working capital deficit includes
- Investment in tulip bulbs in China for sell through in 2H
- Seasonal holdings of event line (Valentine's Day and Mother's Day) inventory in Australia
- End of month customer receipts collected after balance date of 29 Dec
- Supplier payments made in line with usual trading terms

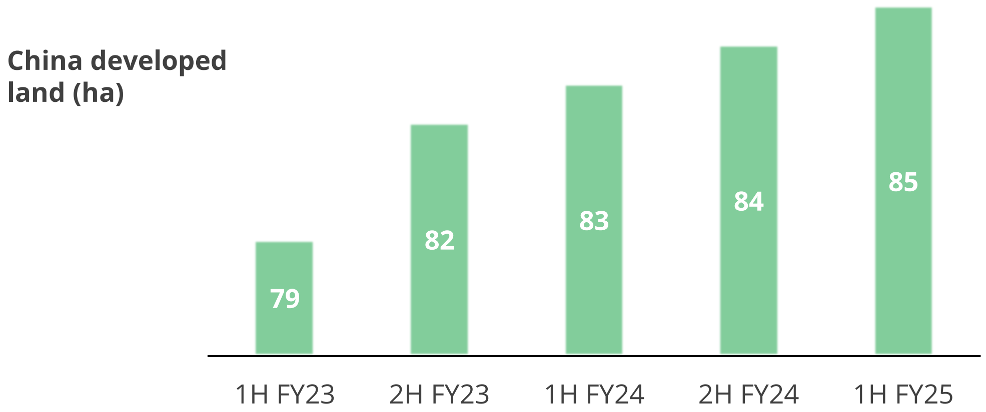
Leases, interest, tax, maintenance CAPEX are $1.4m below 1H FY24 due to reduced CAPEX and tax payments

Growth CAPEX of $2.5m reflects
- Investment in automated bouquet making lines in Australia
- Reduced spend on development of productive land in China

Dividends of $9.8m from the 8c final dividend in FY24 paid in September 2024

CAPITAL EXPENDITURE AND DEVELOPED LAND





1H FY25 capital expenditure of $4.0m in line with CAPEX spend from previous half

Growth CAPEX of $2.5m includes investment in

- Bouquet making lines in NSW to boost labour productivity and product quality
- Efficiency based heating infrastructure upgrade for one farm, 1.0ha of production expansion and tulip infrastructure to support growth in China

Maintenance CAPEX of $1.4m is business as usual in nature and includes farm maintenance in both Australia and China, planned replacement of crops in China, Workplace health and safety, and IT

1ha of productive land developed in 1H FY25, to support the growing of amaryllis, with further land expansion on hold during current economic conditions

STATEMENT OF FINANCIAL POSITION

Group balance sheet, A$ m	1H FY25	2H FY24	Mvmt to 2H	Mvmt %
Cash and cash equivalents (*)	17.1	32.3	(15.3)	(47%)
Trade and other receivables	29.3	19.9	9.4	47%
Inventories	16.8	10.5	6.2	59%
Property, plant and equipment	87.4	85.3	2.0	2%
Right-of-use assets	39.5	41.1	(1.6)	(4%)
Intangible assets	154.6	154.6	0.0	0%
Other assets	15.3	12.2	3.0	25%
Total assets	**359.9**	**356.0**	**3.9**	**1%**
Trade and other payables	(51.6)	(44.2)	(7.4)	(17%)
Borrowings (*)	(55.0)	(55.1)	0.0	0%
Lease liabilities (*)	(42.5)	(44.7)	2.1	5%
Other liabilities	(14.9)	(13.3)	(1.6)	(12%)
Total liabilities	**(164.1)**	**(157.2)**	**(6.8)**	**(4%)**
Net assets	**195.8**	**198.8**	**(3.0)**	**(1%)**
Net debt	(80.5)	(67.4)	(13.1)	(19%)
Net debt / EBITDA (x)	**2.0**	**1.7**	**0.3**	**(18%)**
Net debt / EBITDA ex AASB16 (x)	**1.2**	**0.7**	**0.5**	**(71%)**

(*) indicates included in Net debt

Cash and cash equivalents have reduced since June due predominately to seasonal working capital requirements and payment of final dividend from FY24

Trade and other receivables and trade and other payables increases reflects seasonality (Christmas event) with trade debtors also higher with some 1H customer receipts occurring after balance date

Inventories have increased to a seasonal high predominately due to on-hand tulip bulbs in China which will sell through in 2H

Borrowings are inline with 1H FY24:
- $55m of debt is drawn and $22m of undrawn facilities remain available
- Banking covenants were achieved with satisfactory headroom

Leverage (Net debt / EBITDA) is 2.0x (excluding AASB adjustments 1.2x) largely due to the increase in net debt driven by lower cash holdings

FY25 OUTLOOK

HUGH TOLL
CHIEF EXECUTIVE OFFICER

CURRENT TRADING CONDITIONS

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Australia

Revenue for first seven weeks of 2H FY25 (to 16 Feb) including Valentine's Day is up 7% on the same period in FY24

Forward orders for Mother's Day event in May indicate strong volume growth over previous year

Supermarket floral demand continues to be positive, with new brands launched to support major customers delivering positive sales momentum

Ongoing weakness in AUD / USD rate will impact USD-dominated purchasing into FY26, 2H FY25 impact largely offset by currency hedges and range management

Further investment expected in automated bouquet making lines in 2H to support further margin improvement

China

Revenue for the first seven weeks 2H FY25 (to 16 Feb) is up 15% on the same period in FY24

Pricing achieved during Chinese New Year and Valentine's Day has been favourable compared to the same period in FY24 providing more confidence moving into the balance of the current year's event season (International Women's Day and Mother's Day)

Increased export activity appears to be tightening local supply, supporting an initial price recovery

Operational execution across growing, processing, sales and distribution in line with expectations with costs well controlled

China business is well positioned for a sustained sector recovery

GROUP OUTLOOK FY25

FY25 Group outlook as of February 2025 is for:

FY25 full year group Revenue growth of around 6% driven by strong performance during key event periods – Chinese New Year, Valentine's Day, International Women's Day and Mother's Day

FY25 full year group EBITDA margin at a similar level to the prior year

Further guidance on trading conditions is expected to be provided following the Mother's Day event in May 2025

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SUPPLEMENTARY MATERIALS

SEGMENT REVENUE AND EBITDA

Segment summarised P&L, A$ m	1H FY25	1H FY24	1H FY23	1H FY22	% on pcp
Revenue					
Australia	163.7	157.6	155.6	149.1	3.9%
China	43.6	36.4	39.3	36.1	19.7%
Group	**196.5**	**186.6**	**180.4**	**171.7**	**5.3%**
EBITDA					
Australia	14.6	13.7	7.7	14.7	7.2%
China	1.9	3.0	5.4	11.2	(36.8%)
Group	**16.5**	**16.7**	**13.0**	**26.0**	**(0.8%)**
EBITDA margin					
Australia	8.9%	8.7%	4.9%	9.9%	20bp
China	4.4%	8.3%	13.6%	31.1%	(390bp)
Group	**8.4%**	**8.9%**	**7.2%**	**15.1%**	**(50bp)**

Group revenue shown net of intersegment eliminations. Australia revenue for 1H FY23 includes 27 weeks, all other periods include 26 weeks

KEY OPERATING METRICS

Key operating metrics	1H FY25	1H FY24	1H FY23	1H FY22
Group				
Revenue growth	5.3%	3.4%	5.1%	10.9%
Operating margin %	20.5%	21.4%	18.6%	25.6%
EBITDA margin %	8.4%	8.9%	7.2%	15.1%
NPATA margin %	0.5%	1.2%	0.8%	8.1%
Cash conversion	46.1%	66.2%	37.3%	71.7%
Australia				
Revenue growth	3.9%	1.3%	4.3%	8.4%
Revenue growth – flowers	8.4%	2.5%	6.9%	6.3%
Revenue growth – plants	(15.8%)	(3.2%)	(5.2%)	16.2%
EBITDA margin %	8.9%	8.7%	4.9%	9.9%
China				
Closing productive farm area (ha)	85.3	83.1	78.6	65.6
Average productive farm area (ha)	84.4	82.6	78.6	63.4
Revenue per sqm ($)	47.0	39.2	37.8	41.9
Revenue growth	19.7%	(7.5%)	9.0%	43.8%
EBITDA margin %	4.4%	8.3%	13.6%	31.1%

Group revenue shown net of intersegment eliminations. Australia revenue for 1H FY23 includes 27 weeks, all other periods include 26 weeks

REPORTED TO STATUTORY RECONCILIATIONS

Reported to statutory reconciliation – profit and loss

Underlying adjustments, A$ m	Reported 1H FY25	Australia SAP upgrade	Other	Amortisation of acquired intangibles	Statutory 1H FY25
Revenue	196.5	-	-	-	196.5
Raw materials, consumables and other direct costs	(156.3)	-	-	-	(156.3)
Operating margin	**40.2**	**-**	**-**	**-**	**40.2**
Other income	0.3	-	-	-	0.3
Operating expenses	(24.0)	(1.5)	(0.2)	-	(25.7)
EBITDA	**16.5**	**(1.5)**	**(0.2)**	**-**	**14.9**
Depreciation and amortisation	(13.0)	-	-	-	(13.0)
Financing costs	(3.5)	-	-	-	(3.5)
Loss before tax	**(0.0)**	**(1.5)**	**(0.2)**	**-**	**(1.7)**
Income tax expense	(1.5)	0.4	0.1	-	(1.0)
Loss for the year	**(1.5)**	**(1.0)**	**(0.2)**	**-**	**(2.7)**
Amortisation of acquired intangibles	2.6	-	-	(2.6)	-
NPATA	**1.1**	**(1.0)**	**(0.2)**	**(2.6)**	**(2.7)**

Reported to statutory reconciliation – cash flow

Cash flow, A$ m	1H FY25	1H FY24
Statutory net cash generated by operating activities	**1.1**	**5.3**
Income taxes paid	1.4	2.5
Interest and other costs of finance	3.4	3.2
Underlying adjustments:		
Australia SAP upgrade	1.5	-
Australia farms restructure	0.2	-
Cash generated from operations	**7.6**	**11.0**


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