

ASX ANNOUNCEMENT



Maggie Beer Holdings Limited
(ASX:MBH)

28 November 2024

2024 ANNUAL GENERAL MEETING - Chair's Address

Good morning and thank you for joining me and my fellow directors and colleagues at this morning's Maggie Beer Holdings AGM.

Today I want to address and update shareholders, focusing on three matters:

- the results from the last financial year;
- what the Board and management are doing to address those results and the encouraging progress made to date; and finally
- to set out to shareholders the key milestones to deliver change and improve earnings in the short to medium term.

In covering those three topics, I also wanted to provide shareholders with the following context.

My fellow Directors and I acknowledge that the Company must focus strongly on earnings growth and cost management and capitalise on the incredible brand equity and opportunity we see in our business.

We know that winning back investor confidence does not require promises but rather proof points.

The Board and management have confidence that our strategy of simplifying the business, reducing costs and scaling key products and brands will deliver improved financial results over the coming 12 months with the real benefits and substantial growth to be delivered over the next 24 months.

That belief is evidenced by my fellow Director Tom Kiing and I making a significant investment in the Company, becoming substantial shareholders in Maggie Beer Holdings since we announced our FY24 full year results.

FY24 RESULTS

The FY24 results were disappointing by any measure.

However, I am of the firm view that we can build on our reported revenue of \$89.4m. We need to improve margins, reduce the cost of doing business, and look for new avenues of profitable growth.

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STRATEGIC PRIORITIES

Simplification & focus on the core

In addressing the 2024 full year results, the Company has begun a broad review of the cost of doing business and aligned with that, a review of margins and a commitment to focus on core brands.

This process is being led by the Board and Penny Diamantakiou, who was appointed joint COO & CFO in August 2024. Penny's experience spans senior finance and strategic roles in Optus, Yahoo, Nearmap and Woolworths' digital business.

In the last few months Penny has applied an unerring eye across every aspect of the business and our operations. This has been done in a manner in which difficult decisions have and will continue to be made in regards to our operations and how we do business.

It is also identifying significant efficiencies and synergies we can implement.

Penny will shortly address this in more detail.

Let me provide an overview of the actions being taken:

- an unrelenting focus on the cost of doing business;
- a simplification of business operations;
- a business operation review which includes:
 - a. strategic options review of Paris Creek;
 - b. a review of business structure; and
 - c. supply chain and inventory management,

to optimise the business and reduce the cost of working capital.

Focusing on areas of future growth

It is early days, but we are already seeing positive signs and opportunities particularly in the B2B hampers business and in Maggie Beer Products.

I am confident that in the medium-term, the simplification of the business, a focus on the cost of doing business, and a focus on sales which meet the right to play and right to win criteria will drive profitable growth.

Again, Penny will speak to this in more detail but our growth focus in the new financial year covers three areas:

1. Scaling our ecommerce operations

We are pleased to have completed Stage 1 which is the launch of the Maggie Beer website in November 2024. Whilst there were some early issues, many of these have been resolved, and we are delighted to see early wins which include an increase in conversion rates. We are looking forward to capitalising on this implementation.

This is an important first and important milestone in our technology road map.

Our plan is to have one technology platform for the entire business and will convert the hamperemporium.com.au and giftsaustralia.com.au sites post the busy Christmas period.

2. Profitably growing Hampers and Gifts

We have implemented a number of strategies aimed to aggressively target new markets. This is a developing strategy and we are seeing success. We have a focus to continuously improve this part of the business including:

- New Product Development aimed at new markets;
- A focus on personalisation; and
- Targeted new marketing avenues.

3. Championing Maggie Beer Products

As stated in the 2024 full year results, we have implemented a total review of Maggie Beer Products which remains true to the Brand values of joy of food, joy of sharing, and wholesome good and tasty food.

This review includes the right to play and right to win: meaning we will only compete in categories where the premium market is of sufficient size, and the price achieved will provide a realistic margin.

This strategy has been implemented across new product development, and will continue to be implemented in relation to margin review.

We will continue to innovate and expect to introduce more products in the pantry space, which meet the brand expectations of taste quality and setting new standards for your dinner table, with minimum fuss.

Conclusion

As I stated earlier, we have begun our process of simplifying the business, focusing on the core and making good decisions to grow our profitable earnings. We have in place an aligned management team and Board and Directors who are investing heavily in the business.

We also have what I firmly believe is one of the best brands in Australia.

If you were to walk out into the street where we are today in busy Martin Place, or a quiet street in Darwin, in Tasmania or Terrigal and ask a passerby who Maggie Beer is, they would not only know but almost certainly have positive sentiments towards her and the business she has built.

As guardians of that brand, we are committed to continuing to operate and grow the business for the long-term. The short-term challenges I've set out today are not insignificant, but meeting and overcoming them is achievable and I look forward with management to delivering on the step change to return this Company to profitable growth.

I would like to thank the Board and management for their significant contribution and unbelievably hard work. In particular I would like to make a special vote of thanks to Tom Kiing, who has provided enormous additional support to management over the past 6 months.

I look forward to keeping shareholders informed as to the progress we are making.

-Ends

Authorised for release by the Board

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