



AGM FY 24

Friday 29th November 2024 (ASX:PFT)



Who is Pure Foods Tasmania?

Pure Foods Tasmania Pty Ltd (PFT) was formed in 2015 with the aim to enhance and promote Tasmania's food and beverage businesses.

PFT's strategy is to develop new products within its existing brands, to acquire or develop complementary brands and businesses and to increase its market penetration and distribution for its suite of brands and products globally.

PFT's brands and businesses include Woodbridge Smokehouse, Tasmanian Pate, Daly Potato Co, and The Cashew Creamery.



Strategy

PFT's growth strategy encompasses several key themes:

- Organically grow its existing brands
- Improve margins and capacity via automation of its production as products and brands reach scale
- Secure key assets
- Grow via the acquisition of complementary products/businesses to explore product expansion opportunities.

PFT brands are targeted at the “conscious consumer”, offering convenient home food and entertaining solutions with a uniquely Tasmanian focus.

Organic growth will be achieved through increased penetration of existing markets, entry into new markets and new product development.

Financial Results 2023/24



Revenue fell by 23% compared to FY23, primarily due to the strategic decision to cull products where margins were challenged, including:

- Several unprofitable product lines at Woodbridge Smokehouse, leading to a 38% reduction in sales
- Revenue down by discontinuing production of Daly Frozen and Potato & Gravy in the early part of Q3.

Financial Results 2023/24



Results for the year was a disappointing loss of \$3.9m, equating to a cash loss of \$2.2m, due to several factors, including:

- Daly Potato orders exceeding production capacity incurring up to \$1.3m loss
- Almost \$1m write down of goodwill, of which \$450k was attributed to the sale of Lauds Plant Based Foods in December 23
- Substantially elevated raw material, freight and packaging costs - was 97% of revenue compared to 79% in 2023
- Continuing equipment sealing issues caused losses of more than \$500k.

Response to Poor Financial Performance

From Sept 2024

- Reduced 8 overhead positions, resulting in \$1.5m annual savings
- Company ceased production of non-profitable product lines
- Changed sales model from internally managed account relationships with Woolworths and Coles to Broker based on a known percentage of sales. This will result in lower cost model with greater benefits
- Moving IGA's to larger minimum orders and ordering online enabled us to reduce sales personnel

Response to Poor Financial Performance

- Review of local freight logistics and pass on pricing
- Negotiated a fixed maximum price for fish products for 3 months giving us better control over COGS
- Reducing high interest loans
- Negotiated \$228k settlement with equipment supplier
- Sale of surplus equipment
- And more.....

Outlook



- The Board believes focusing on the existing business and aligning costs and revenues to build a more sustainable business will position PFT for growth and improvement in operational performance
- Restructuring has enabled us to resource the business appropriately
- We maintain discussions with our advisors regarding acquisition and new development opportunities

Outlook

- PFT has reduced annual operating costs by up to \$2m with further savings planned for FY25
- Review of all processes across whole of business
- Ensure the excellent workplace safety record continues
- Continue to aim for 100% compliance in food safety standards across all brands

Our People

- I am pleased to welcome the appointment of Robert Knight (Rob) to the Board of PFT as a Director. Rob has a strong background in marketing and in the retail sector
- On behalf of the Board, I recognise our staff for their resilience, flexibility and their willingness to adapt to changing circumstances. Turning around a company is only possible if you have a great team of dedicated people working together

Summary: New structure of a small team supported as needed by highly professional group

- We look forward to achieving a positive future and making PFT a successful Company for the shareholders

This presentation has been authorised for release and approved by the Board of PFT.

For further information, please contact:



**Unless otherwise stated all financials results post 30 June 24
are unaudited**

Malcolm McAully
Executive Director

