

26<sup>th</sup> February 2021

## Half Year Results Announcement for FY21

### Branded retail growth gaining traction

Murray River Organics (ASX: MRG) today announced a net profit after tax loss of \$7.5m which represents a 68% improvement on the corresponding period last year.

#### H1 2021 Highlights

- Sales in Murray River Organics branded products were up by over 30%
- The Wholesale and Ingredients strategic procurement business was up 68%
- Export sales grew 2% despite severe Covid-19 restrictions in key markets as well as 2020 crop affected by severe weather conditions
- The National Retail business was successful in securing ranging for 7 new MRO products
- Two non-core farms were sold for \$10m
- Net bank debt was reduced by \$0.6m and will reduce further with the sale of part of our Nangiloc property anticipated to settle in the second half of FY21
- Further debt payment initiatives are being pursued
- New leadership leading a focus on costs and capital management

Commenting on the result, Interim CEO, Birol Akdogan said, “This year has obviously not been without its challenges but I believe that continuing our strategy to grow branded retail products, simplifying operations and continuing to reduce net debt will put Murray River Organics in a stronger position. As we continue to leave behind our past difficulties, we will aim to continue growing into attractive markets”.

#### Financial Summary

\$m	HY21	HY20	Change	%
Sales	26.5	24.8	1.7	6.8%
EBIT-L*	(6.4)	(21.1)	(14.7)	70%
One off items	0.9	12.4		
SGARA loss	0.4	1.6		
Depreciation & Amortisation	1.1	2.8		
Underlying EBITDA - SL*	(3.9)	(4.3)	(0.4)	8.8%

MRO chairman Dr Andrew Monk said, “The Board is looking to accelerate our growth towards becoming a branded retail organic food business. We believe that our strategy is the appropriate

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one and we already have strong leadership within our management team to drive harder in these areas. Our review of our key C-suite positions is nearing completion and we anticipate making further announcements on these key roles shortly.”

“As part of this review, we are looking to reduce corporate overheads via remuneration reductions of between 20% to 25% for Non-executive Directors and the CEO. This will make more resources available for marketing and new product development investments.”

## Strategy and Outlook

The Company will continue to strongly pursue its strategic priorities. There will be a continued focus on the fast-growing MRO branded retail categories. The stability of the company is a key priority and a simplified farming footprint will enable the company to focus on its key market strengths.

We propose to invest further in the company’s marketing, branding and product development activities in relation to our branded retail categories. The company believes that it is in an excellent strategic position in its field; small enough to be agile, innovative and a leader while also being large enough to supply large retail markets and export globally.

The Company is on track to achieve the goal of becoming a major player in organic and ‘better for you’ food products both in Australia and in our key export markets.

The Company continues to seek and develop new agri-partners around the world as part of our strategic procurement capabilities. This approach will also apply to some of our Farm assets, with our 2,600 ha Nangiloc property having appeal to long term Agri investors.

The Company is currently assessing strategically value-accretive acquisitions to expedite our growth and accelerate the company towards positive EBITDA in late 2022.

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This announcement has been approved for release by the Board of MRG.

Murray River Organics Group Limited (ASX: MRG) is a leading Australian producer, manufacturer, marketer and seller of certified organic, natural and better-for-you food products. We service the organic, natural and healthy food and snack market globally.

For further information please visit [www.murrayriverorganics.com.au](http://www.murrayriverorganics.com.au)

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