Bega Cheese AGM
24 October 2023

SLIDE 1 – Cover

SLIDE 2 – Introduction

Welcome to Bega Cheese's Annual General Meeting, which is being recorded and webcast. As we have a quorum, I now declare the meeting open. When you registered this morning, you will have received an admittance card. For all shareholders and proxy holders who are voting, you should have received a yellow voting card. If you are a shareholder who is not voting you should have received a blue card. If you are a non-shareholder you will have received a red card.

Yellow cardholders will be able to vote for or against resolutions and ask any questions they wish relating to the business of the AGM.

Blue cardholders will be able to ask questions but not vote.

Red cardholders are most welcome at the meeting but will be unable to participate in the proceedings.

Further information regarding voting procedures will be provided prior to commencement of the resolutions to be put to the meeting.

For the benefit of all attendees at this meeting I would ask that you identify yourself before asking a question or making a comment.

SLIDE 3 - Agenda

At today's meeting, we have a number of formalities to deal with, including the consideration of the Group's 2023 Annual Report, the adoption of the Remuneration Report, the election of Directors and the Modification to Constitution.

SLIDE 4 - Welcome

I am pleased to welcome new shareholders and our long-term shareholders who know the company so well and have supported the strategy and Directors of the company over many years.

Let me introduce my fellow Directors; Patria Mann, Peter Margin, Terry O'Brien, Harper Kilpatrick, and Rick Cross. Raelene Murphy will be an apology.

I am also pleased to welcome Anthony Goldsworthy and Sam Lobley representing our auditors PricewaterhouseCoopers, our legal counsel David Ferguson and Laura Hartley from Addisons and Nick O'Hagan from Link Market Services Limited and a number of Bega Group staff.

I have received apologies from…

We will now move on with the formal part of the meeting.

SLIDE 5 – Annual Report

I will be presenting the FY2023 Annual Report with Bega Group CEO Pete Findlay.

SLIDE 6 – Key Messages

I think it is fair to say that the most appropriate way to describe FY2023 is dynamic. We began the year with rapidly rising dairy commodity prices which saw farm gate milk prices go to record high levels while also dealing with significant inflationary pressure in all parts of our business.

These factors required the company to be very agile and responsive to change in FY2023, I am pleased to report that we have managed significant variations, which ultimately included rapidly declining commodity prices in the second half of the year in a manner that has seen our branded business grow and the appropriate decisions made in our commodity business. Importantly we continue to position the business for growth and remain confident in our strategy, even though we have seen some very dynamic circumstances in the last few years.

The key messages slide which for those following online is page 6 summarises FY2023 and the business approach that has brought us here and will take us forward successfully. The strategy that we have had in place in the last six years to transform from a largely commodity business to a branded business, beginning with the acquisition of the Australian Mondelēz Grocery business, right through to the more recent acquisition of Lion Dairy & Drinks, with some of Australia's most iconic brands, has certainly delivered for the business particularly in the second half of FY2023 and looking forward.

There were timing challenges in realising some significant cost increases in the Australian market in the early part of the financial year. Following the execution of price increases that appropriately reflected significant increases in farm gate milk prices and other input costs the brands performed well retaining their positions in terms of market share and growing volume. The strength of the brands is the key to our future business success. We continue to invest in our brands, growth categories and higher value products.

Whilst we recognise the challenges in the bulk commodity area of the business associated with lower milk production in Australia and the disconnection of Australian farm gate milk pricing to global dairy commodity prices and have both impaired and begun to restructure that segment of our business we do continue to see opportunity in some areas of that business segment particularly in nutraceutical, dairy nutrients and the support of our branded business.

We announced in FY2023 that we are restructuring our overall business to accelerate the alignment of the organisation to the branded strategy. It was important to speed that alignment up given the volatility of FY2023 and ongoing challenges in the bulk segment of the business.

With regard to the commodity markets, we did see a continuation of rapid price increases at the beginning of the financial year, unfortunately these prices were not maintained and we saw equally rapid falls in the latter part of FY2023 with the commodity markets decreasing by an excess of 30%. That of course impacted the performance of our bulk business. While historically we would have seen farm gate milk price reset to a reduced commodity value in Australia, this year we have not seen that happen.

The increasing disconnection between the international commodity value of dairy products and Australian farm gate milk prices, largely driven by a decrease in the volume of milk produced and the retention of significant excess manufacturing capacity in the industry has caused us to make a decision to right-size our commodity infrastructure with the goal of ensuring it is in a position to support our brands and take opportunities in the international markets and in the commodity and nutritional markets when they arise.

The important decision to deal with the challenges that we see across the industry in terms of milk production and overcapacity and right-sizing our commodity infrastructure has meant that we have brought to account a large non-cash impairment on our commodity assets this year.

Importantly, given the volatility and the changing environment and the great opportunities we see going forward, particularly in our branded business, our balance sheet remains strong and I am pleased to report that we finished the financial year with a strengthened leverage ratio of 1.6.

SLIDE 7 – Performance Highlights

As is always the case we think that it is more appropriate to discuss the normalised financial results for the year which is a better reflection of the ongoing business operations and is particularly the case in a year where we have had a large non-cash impairment and asset sales. The comment that I would make regarding the non-cash impairment is that it is not a reflection of the quality of the infrastructure that we own, but it is a reflection of the fact that the volumes of milk available and indeed the cost that we have to pay for that milk is not seeing that infrastructure deliver financial returns that are consistent with historical performance and these factors are likely to remain with us for some time.

From a normalised point of view, it was a volatile and challenging year. The two key performance factors were the timing of realising price increases in the Australian market that reflected milk price increases and other inflationary costs in our branded business and then the rapid decline in dairy commodity prices in the second half which in combination ultimately saw the company deliver a normalised EBITDA of $160.2 million. Pete will discuss in more detail the financial outcomes for the year, obviously from a statutory point of view the impact of the impairment was large and resulted in statutory after tax loss of $229.9 million.

Perhaps the only other comment to make is that we have been pleased to be able to deliver a dividend of 7.5 cents per share for the full year, although it is a lesser dividend than last year, given the circumstances of the year that we have been managing it appropriately reflects the challenging year we have had and our confidence in the business going forward.

SLIDE 8 – To become The Great Australian Food Company

As we manage the volatility that can exist in a food and agricultural business, it is important to be confident in your strategy. Our strategy remains on track as we continue to build a strong and more stable branded food business. The circumstances of this year have reinforced the importance of the strategy and its acceleration to ensure we create value for shareholders and to become The Great Australian Food Company, creating great food for a better future.

SLIDE 9 – Strategy

If I take you to the next slide, this is a great illustration of how far the business has come from fundamentally a small, largely commodity business into now what I would call an emerging branded powerhouse. I think that interestingly, as this page is presented, you see some of our most iconic brands there and the arrow to the future is pointing to those brands, which I think is metaphorically and literally true.

We see the future in our branded business being full of great opportunities. That does include the fact that we think that our infrastructure, including our commodity infrastructure, will play a very important role in supporting those brands.

There is no doubt that the brands, particularly in the second half of FY2023, demonstrated their strength and the opportunity for us to be able to increasingly deal with the volatility in farm gate milk price and farm gate milk volumes along with other cost pressures. Pete will speak more about our branded strategy in his presentation.

SLIDE 10 – Sustainability and the Circular Economy

It is always important to talk about our approach to sustainability and circularity. We have obviously made commitments regarding Scope 1 and Scope 2 emissions targets and are currently working with suppliers to understand our Scope 3 emissions and the actions that we and our suppliers can take to reduce emissions. Since their inception we have aligned ourselves to the United Nations Sustainable Development goals which drive a number of programs in the business. We continue to make good progress on sustainability and have strong momentum in the Bega Circular Valley project which the Bega Group is a key supporter of. I would refer you to our sustainability report which was released last week and provides more detail on our programs and projects.

SLIDE 11 – Introduction to Pete Findlay

Ladies and gentlemen, that is a small summary of the year from me. I am pleased to ask Pete Findlay, our CEO to come to the podium and present for the first time as CEO his perspective on the FY2023 result. Pete has been with the company for a while, initially as CFO and then Chief Operating Officer and stepped up into the CEO role in February 2023 and has taken the challenge with both hands. I am delighted with the executive team that Pete's put together and the restructure that he is implementing to make sure this business is in great shape for the future. I will hand to Pete and come back to you at the end of his presentation for questions and the resolutions to be put to the meeting.

SLIDE 12 – Branded Business Momentum

Thank you, Barry, for the introduction and I will move straight on to the next slide to discuss the momentum we feel we now have in our branded business. As Barry discussed, we were impacted by significant cost increases to milk through the milk procurement period of last year as well as spikes in crude oil prices impacting packaging resin, logistics and most other inputs. I was incredibly pleased with the team and the way our brands and categories performed in that period of significant upheaval.

We were able to execute approximately $260 million in price increases during the first half of FY2023, to cover the majority of the above cost exposure. Despite the significant price increases we have been able to grow volume across our branded business by approximately 5%, a result we are very pleased with and feel it demonstrates the resilience of our brands and the way they resonate with Australian consumers.

We achieved volume growth across most of our channels, in particular core grocery and pleasingly the convenience channel where our team did a great job with milk based beverages, white milk and juices. The convenience channel experienced 20% volume growth and 30% value growth. Our food service channel benefits from our strong distribution team and our unparalleled coverage to increase field sales volume by 25%.

As part of the restructuring program announced during the year, we have consolidated our branded business from three divisions into one and created specific grocery and non-grocery teams. We have brought together multiple sales teams, marketing teams, R&D teams, logistics and planning teams. During that process we have eliminated approximately $20 million of annualised cost, of which $12 million will be realised in this financial year. We now have a structure that aligns with our strategy, enables us to win in all channels and creates a sustainable cost base moving forward.

Additionally, we have focused on capacity rationalisation across our sites. During the year we closed the Canberra milk processing facility while maintaining the use of the Canberra milk brand. We have also introduced a substantial amount of automation at our sites through driverless vehicles, robotic palletisation and onsite packaging capabilities. This is reducing bottlenecks and resulting in better equipment effectiveness rates.

In a challenging year we have maintained a strong capital expenditure program with focus in our growing branded categories. We completed our Wetherill Park sustainable packing project, which is blowing fully recyclable PET bottles onsite, giving beneficial sustainability and cost benefits. These bottles have increased shelf presence and assisted with our outstanding milk based beverages result for the year.

We commissioned a new pouch line at Morwell at the end of FY2023. This additional capacity is fully operational and will create significant product innovation and cost savings.

The business commenced work on a digital sales platform to support the approximately 40,000 deliveries a week by our cold chain distribution network. This will replace a 15-year-old portal currently providing a less than satisfactory customer experience. The detailed design of the new digital sales platform will address more than 100 customer pain points.

SLIDE 13 – Innovation and Growth in Brands

The Bega Group's focused innovation and marketing investment in high margin and high growth categories help deliver volume growth during a period of unprecedented cost increases and the subsequent price rises required to mitigate them.

We are celebrating Vegemite's 100th birthday in 2023 which has received terrific media exposure. It is noteworthy that Vegemite volumes actually grew in FY2023, only the second time in the last 20 years.

Vegemite's 100th birthday means we now have four iconic brands in our stable more than 100 years old, Bega, Vegemite, Farmers Union and Dairy Farmers. It is significant they all remain contemporary and grew in FY2023 both in volume and in value.

Our milk based beverages grew by 5% in volume last year and experienced double digit value growth. We are pleased with the performance of our milk based beverage brands and the way they are resonating with our customers and driving portfolio growth into channels such as convenience and hospitality.

The Bega Group international business achieved more than $200 million of sales in branded product across Southeast Asia and the Middle East last financial year. Our focus in the international branded market has also been streamlined with our priorities being processed cheese, cream cheese and yoghurts. We expect that this part of our business will continue to grow as we consolidate distributors and increase presence in these local markets that are evolving rapidly.

SLIDE 14 – Growing Revenue with iconic Australian Brands

Bega Group's branded business now represents 85% of the Group's total revenue. This chart demonstrates the evolution of the company over the last 20 years, moving from a business with less than 50% of branded business in 2016. Our future revenue and profitability growth will largely be driven by our exposure to our iconic Australian brands and less reliant upon fluctuating global commodity prices.

SLIDE 15 – Brand Shares | Australian Retail Categories

Building on the previous slide it is important to reflect on our brand shares in the Australian retail category. The data is from Total Australian Grocery Channel. We have retained our number one position in yoghurt, milk based beverages and spreads, despite an environment of significant cost increases and consumer financial pressures. These are categories that represent a sustainable margin profile and fit well with our manufacturing distribution capabilities.

The Bega Group was also particularly pleased with the performance of fresh white milk, we were able to drive growth in this category for the first time in a number of years with volume growth across all channels reaching 10% off the back of better distribution and additional functional benefits such as a new lactose-free to offer.

SLIDE 16 – Branded Market Strategy

My last slide on brands is essentially a summary on how we will continue to grow our brands into the future.

We will maintain our focus on growing core grocery through product innovation in our core brands such as yoghurt, milk based beverages and spreads. We have a strong heritage in this space and have great brands that perform well and resonate with the consumer. We will continue to tap into the natural growth in categories such as yoghurt, milk based beverages and functional fresh white milk.

While we have always performed well with core retail customers we are still under-indexed in food service and convenience, as a consequence there will be a renewed effort to "winning on the street" and competing in this space. We need to take advantage of our significant salesforce, national cold chain distribution network and strong distributor relationships. We know that when we bring focus to these opportunities and get the product offerings right, we can win. Our new organisational structure allows us to package our full portfolio and range to this channel giving us a natural advantage over our competitors.

Our Dare iced coffee drink was the number one impulse beverage brand in convenience in the last quarter. The performance was enhanced by the Dare Intense launch and demonstrates that when our sales team focuses on an offering that appeals to a segment of the market significant growth can be achieved. This assisted our convenience business to grow by 20% in volume last year.

We will continue to streamline our sites, reviewing how they create maximum value and deliver a better outcome for our customers in their specific geographic areas. We anticipate further margin improvement in our branded business through site and product consolidation.

SLIDE 17 – Australian Milk Production

We have shown some of this data before, however I think it is important to revisit this information, particularly in light of FY2023 and the year we are currently in. It goes some way to explain the industry circumstances and our response. Milk production has been largely in decline since 2002 and milk production in FY2023 was approximately eight billion litres down from almost 12 billion litres 20 years ago. During that period we have seen relatively minor rationalisation in industry manufacturing capacity, in fact in some instances we have seen new capacity commissioned. The impact of milk production decline and overcapacity in the industry has meant less volume available for infrastructure that was originally designed to service global dairy commodity markets.

Increasingly, competition for milk in Australia has driven farm gate milk prices to a point where there is significant disconnection between Australian farm gate milk prices and dairy commodity markets. Historically when commodity prices rose and fell we would see the farm gate milk price approximately mirror those returns.

In terms of our business, the above impact is reflected through the impairment of our commodity assets and the decision to accelerate our organisational restructure and right-sizing of our commodity infrastructure. Our commodity business will continue to struggle in FY2024 as the disconnect has further widened this year. It is important to note that within our commodity business we do have two different businesses. We have a Nutritionals business which produces lactoferrin, infant formula and high value milk powders. That part of our business is remaining reasonably stable, other products in particular bulk butter, bulk skim powder, whole milk powder and cream cheese will suffer significantly in FY2024, which is what has largely driven the impairment in our bulk business.

Our endeavour this year is, to the extent that we are able, to deal with the challenges of the dairy commodity markets and reshape our commodity infrastructure for FY2025 and beyond. What we want to do is transition our commodity sites to a far more agile cost base that can respond to changed market conditions which will enable us to be far more able to deal with farm gate milk price and volume fluctuations. We think that there is a way forward for the bulk segment of our business, but in the FY2024 year it will be challenged and is the key reason why our earnings will be relatively flat year-on-year.

SLIDE 18 – Farm Gate Milk price and Market Returns

This graph illustrates the circumstances I have been describing, the red line shows dairy commodity prices from an index point of view. The green line shows our farm gate milk price in the manufacturing states, predominantly, Victoria and South Australia, which traditionally has been connected to global commodity prices. The graph also illustrates the major grocers' private label milk price, which impacts a lot of the retail shelf price for dairy in this country. It is self-evident that Australian farm gate milk prices are at the moment not connected to international commodity markets but on a more positive note are reflective of the returns in the Australian market.

Farm gate milk prices remain elevated, the company paid a record price in FY2022 of $7.14 per kilo milk solids reflecting commodity markets at that time. That increased again to $9.55 per kilo milk solids in FY2023, the increase in farm gate milk prices was supported by a sharp rise in commodity prices which as I previously mentioned and is demonstrated on the graph was disappointingly followed by an equally rapid fall, meaning that overall the farm gate milk price in FY2023 was not reflective of commodity returns.

Farm gate milk prices for FY2024 have only dropped marginally below the $9.55 per kilo milk solids in FY2023 despite the ongoing decline in commodity prices which are now more reflective of FY2022 returns. Hence the challenge to our commodity infrastructure and returns in the bulk segment of our business.

As mentioned, the more positive news from this graph is that farm gate milk prices are reflective of Australian retail milk prices and as I have described we are heavily exposed to that and are very happy with the farm gate milk prices and how that they align with our domestic branded business, particularly our shorter shelf life products, (fresh milk, yoghurt, milk based beverages).

SLIDE 19 – Manufacturing Network – Up to here

The Bega Group is now down to 19 sites after the rationalisation of our Canberra facility. We are pleased to have a geographic spread of sites and comprehensive market reach. However we must continue to consider how our sites integrate within our network and how we might optimise their operations in the future.

It is important to note our dairy infrastructure is interdependent and supports our brands and markets, therefore our bulk sites still play an important part in our strategy. As we model the growth in our domestic business over the next five years, we will require Koroit and Tatura in our network to manage the seasonality of milk. They are integral to growing our domestic branded business.

SLIDE 20 – Dairy Commodity Strategy

While it is disappointing to impair high quality assets it is important to develop a strategy that positions those assets well for the future. Our focus will be to change our commodity sites in a manner ensuring they have flexibility to be able to cope with any disconnect between farm gate milk pricing and global commodity prices.

We will continue to focus on higher value commodities and nutritional products, our lactoferrin business remains strong. We believe we have the ability to evolve our Nutritionals business to be well positioned to take advantage of some of the potential rationalisation opportunities that are evolving in Australian and international markets.

Management will continue to optimise the connectivity between our large bulk commodity sites which manage excess milk produced in peak season.

SLIDE 21 – Profit and Loss

Moving to the financial outcomes for FY2023 and our profit and loss slide, I will focus on the normalised table on the left hand side of the page. The normalised EBITDA was $160 million down 11% year-on-year. Pleasingly our revenue grew 13% with branded segment of the business growing by 16%. Within that, volume attributed a little under 5% of growth with value driving the remaining 11%.

While we were very happy with the performance of our branded business it did take time to execute the price increases required to deal with the uplift in farm gate milk price and significant inflation impacts for virtually all other inputs into our business. These were largely part of our new cost base from 1 July 2023.

The bulk segments revenue increased 8% but it really was a tale of two halves. 1H FY2023 had very strong commodity prices which, as I have mentioned a number of times, declined rapidly in 2H FY2023.

Depreciation and amortisation was a little under $102 million. Net finance costs were almost double in the year and that is a reflection of increased interest rates.

SLIDE 22 – Reconciliation of Normalised Result

This slide is a reconciliation between our statutory results on the left-hand side of the page and our normalised results on the right-hand side of the page. We have normalised the sale of our Vegemite Way site in Port Melbourne and have also removed the $276 million pre-tax asset impairment and the cost of restructuring.

The other cost line at under $5 million is related to software as a service. The other item that has been normalised is the change to a consolidated tax entity which will further add to the efficiency of the business.

SLIDE 23 – Profitability Overview

This is a normalised EBITDA waterfall that moves us from the FY2022 to FY2023 result. On the left side in the prior year we made $180 million of EBITDA. The next three columns focus on the branded side of the business. The first column represents the cost increases which were most significantly impacted by the farm gate milk price but also included inflationary effects on all our input costs, totalling $290 million.

The cost increases were largely with us from the beginning of the year and although the business reacted as quickly as it could with multiple waves of pricing, generating $256 million of in-year price increases and on a full year run rate $35 million of additional pricing from these increases will be realised in FY2024.

There is a $28 million benefit in FY2023 EBITDA from the volume growth in our branded business.

In terms of the bulk segment EBITDA we have not highlighted price or volume changes. We have simply sought to demonstrate the year-on-year impact of the farm gate price disconnect to global commodities being approximately $18 million. Put simply, what the table demonstrates is the incredible strength of the brands to respond to almost unprecedented circumstances and the fragility of the bulk commodity business in current milk supply circumstances.

SLIDE 24 – Brand Momentum and Commodity Impact

This slide demonstrates the story of a year of two halves reflecting the quarterly performance and associated brand momentum and commodity impacts experienced in FY2023. The blue line is our branded segment EBITDA margin performance, obviously quite impacted in the first quarter with cost inflation and then growing strongly as our price, mix and innovation initiatives begin to take effect.

The orange line is the EBITDA margin performance of our bulk segment which displays the peak commodity pricing which occurred in October 2022, and then followed a strong downward trend for the remainder of the financial year. Unfortunately, this has continued in FY2024 which continues to challenge the business in the short term.

SLIDE 25 – Cash Flow

Operating cash flow for FY2023 was $8 million. Inventory increased by $110 million largely reflecting the increase in input prices and a slower selldown of stock at the end of FY2023 as compared to FY2022.

We finished the year with inventory of $430 million, the equivalent of seven to eight weeks of stock which represents a relatively normal trading position for us. Our cash flow was obviously enhanced by the sale of our Port Melbourne site and the winding up of the Vitasoy joint venture.

SLIDE 26 – Balance Sheet

We continue to have a strong balance sheet, trade receivables are in line with sales and inventory value has increased for the reasons described previously. Lease liabilities and right of use assets have increased reflecting the impact of the sale and leaseback of the Port Melbourne site and the decrease in value of the property plant and equipment reflects the non-cash impairment of our commodity assets.

SLIDE 27 – Where We Are Today

I always think it is important to reflect on where we are today and how I see the business. It has been beneficial to spend time at each of our facilities and the market with our teams to see how we present our products to consumers across different channels, both in Australia and overseas. The leadership team and I are energised and feel positive about the tools at our disposal.

There are headwinds in our bulk commodity business, however I believe we have a path forward and will create a stronger, more agile business as a result of the restructure and right-sizing approach we are currently taking.

Our branded business is where all our momentum will come from over the next five years, we have market-leading iconic brands that resonate with our customers. Our products have the right price points to meet the evolving customer proposition to be relevant into the future. We are confident we can grow our branded business within its current context and additionally into adjacencies that we are very excited about.

Both of our branded acquisitions are performing ahead of business case, the Mondelēz Grocery business has been an outstanding acquisition. The Bega Dairy and Drinks business in 2H FY2023 exceeded our expectations and continues to perform well through the early part of FY2024.

In terms of our infrastructure we have a network of integrated manufacturing and milk processing sites, that can manage seasonal milk and will have the capability to optimise milk solids value. Despite the challenges in global commodity markets at the moment we have the opportunity to re-shape our commodity assets ensuring they can support our brands in the long term and take advantage of any positive change in the commodity markets.

There is a plethora of opportunities for further brand pricing, innovations and efficiency programs driving margin improvement. We feel we have fresh white milk, which is a significant part of our volume, heading in the right direction from a growth and profitability perspective. Yoghurt, milk based beverages and spreads are still growing and we have tangible opportunities in almost all of the channels and categories we operate in.

We believe that the brand contribution we have seen in 2H FY2023 and into the first quarter of FY2024 can be maintained. It will be this contribution from the branded business in FY2024 that counters the commodity headwinds that we have already explained and take the business forward through FY2025, FY2026 and beyond.

The bulk commodity business challenges will be with us for the remainder of the year and particularly impact 1H FY2024 performance and we expect our normalised FY2024 EBITDA to be relatively flat and in the range of $160 to $170 million.

SLIDE 28 – Looking Forward

We are pleased with our strategy and the underlying strength of our business and believe we have dealt with external circumstances well in recent years, these have included the impact of COVID-19, significant supply chain disruption, unprecedented cost increases and then a disconnection between highly volatile dairy commodity prices and farm gate milk prices in Australia. However the hard work and decisions made ensure we will be in a position to create shareholder value into the future and we believe that this opportunity is not currently reflected in our share price.

We are already starting to see benefits from the restructure program announced in June 2023 and have confidence in the strategic initiatives currently being implemented. I remain confident that within the timeframe of our current five-year strategic plan (FY2023 - FY2028) we can expect to increase our EBITDA to $250 million-plus, with a return on funds employed growing to 10%. This will be primarily driven by our branded business.

We think the business, including the changes we will be making to our bulk commodity infrastructure over the next 12 months will be far less exposed to farm gate milk price volume and volatility. I am confident we have in place the people, organisational capability and the business structured in a way that will enable strong growth in the future, not just across our core grocery business but into the non-grocery channels where we are still significantly under-indexed. I look forward to the next five years with a great deal of enthusiasm and optimism and think we will start to see that change in our business during FY2024 and beyond. I will now hand back to Barry.

SLIDE 29 – Handover to Barry Irvin

SLIDE 30 - Questions

Ladies and Gentlemen that brings us the end of the presentation.

Are there any questions?

SLIDE 31 – Annual General Meeting

Ladies and Gentlemen, we have now come to the formal part of the meeting.

SLIDE 32 – Voting procedure

A poll is being held on all resolutions at this meeting. If leaving early, place completed voting cards in the ballot boxes by the registration desk.

For each item of business, I will first open the floor for discussion and then, will put the motion for that item to the meeting, and ask you to complete your voting cards in relation to that item.

Share Registrar, Mr Nick O'Hagan of Link Market Services Limited will act as Returning Officer in relation to the poll.

If there are any aspects regarding voting that you are uncertain about, please ask one of the Registrar staff.

The results of the poll will not be available before the end of the meeting. You can however obtain the results of the poll later today by visiting the company's website or the ASX.

SLIDE 33 – Resolutions

Adopt remuneration report for the year ended 30 June 2023.

Election of Directors.

Modifications to Constitution.

SLIDE 34 – Adoption of Remuneration Report

Firstly, to item 2 in the notice of meeting. The Remuneration report on pages 39 - 52 of the Annual Report outlining the remuneration for the Board, Executive, CEO and other key personnel.

In setting remuneration the Nomination Remuneration and Human Resources Committee refer to market and external advisors.

I would inform the meeting that the following proxies have been received in respect to the Remuneration report. I will be casting the undirected proxies in favour of the motion.

Are there any questions?

As there are no [further] questions, I now move that the remuneration report for the period ended 30 June 2023 be adopted.

I will now put the motion to the meeting.

Would you please now complete your yellow voting card in relation to item 2.

SLIDE 35 – Terry O'Brien

I now move to the election of Terry O'Brien. Terry, I invite you to say a few words.

Thank you, Terry.

Before we proceed I would like to inform the meeting we have the following proxies in respect to Terry's election. I will be casting the undirected proxies in favour of the motion.

Are there any written questions?

Are there any telephone questions?

Are there any questions?

As there are no [further] questions, I now move that Terry O'Brien be elected to the Board.

I will now put the motion to the meeting.

If you haven't already done so, please record your vote in relation to Item 3a.

SLIDE 36 – Peter Margin

I now move to the election of Peter Margin. Peter, I invite you to say a few words.

Thank you, Peter.

Before we proceed I would like to inform the meeting we have the following proxies in respect to Peter's election. I will be casting the undirected proxies in favour of the motion.

Are there any written questions?

Are there any telephone questions?

Are there any questions?

As there are no [further] questions, I now move that Peter Margin be elected to the Board.

I will now put the motion to the meeting.

If you haven't already done so,please record your vote in relation to Item 3b.

SLIDE 37 – Modifications to Constitution

Moving to item 4 in the notice of meeting. Modifications to Constitution on pages 9 and 10.

To consider and, if thought fit to pass, the following as a special resolution:

"That the Company's Constitution be modified in the following manner:

a) by replacing Rule 9.1(a) with the following new Rule 9.1(a):

   Subject to the Act and this Constitution, the Board will comprise up to eight (8) Directors. Subject to the provisions relating to Directors retiring or otherwise ceasing to hold office, at least two (2) of the Directors must be Supplier Directors."

b) By deleting the definitions of Merger Agreement, TMI, TMI Merger Period, TMI Supplier and TMI Supplier Director in Rule 1.1.

I would inform the meeting that the following proxies have been received in respect to the Modification of Constitution. I will be casting the undirected proxies in favour of the motion.

Are there any questions?

As there are no [further] questions, I now move that the Modification of Constitution be adopted.

I will now put the motion to the meeting.

Would you please now complete your yellow voting card in relation to item 4.

SLIDE 38 – Closing

Ladies and gentlemen thank you very much for your attendance at this year's AGM.

If all votes have been completed, please ensure you lodge your yellow voting cards in the ballot box stationed at the registration desk to ensure your votes are counted. The poll will remain open for a further 5 minutes.

I now declare the meeting closed.

SLIDE 39 – Disclaimer