



# **Bubs Australia Limited FY25 Results Presentation**

29 August 2025



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*All currency referred to in this document is in Australian dollars, unless otherwise stated.*



# Acknowledgement of Country

Bubs acknowledges the Traditional Custodians of the Lands on which we operate.

**We pay our respects to Elders past and present.**

*Image: Bunurong Marine National Park of Victoria*



# Joe Coote

## Chief Executive Officer

Over 30 years in FMCG, dairy and retail sectors.

Most recently CEO of Darigold, the fourth-largest dairy cooperative in the USA, overseeing over \$US2B in global sales.

12 years at Fonterra leading commercial operations across USA, Asia, and ANZ culminating in President, Fonterra Americas where he oversaw over \$US2B in regional sales.

6 years at Coles Myer in supply chain and finance roles.



# Naomi Verloop

## Chief Financial Officer

Experienced CFO and company director.

Previously CFO for Barenbrug Australia, wholly owned subsidiary of the Royal Barenbrug Group

6 years at Nufarm Australia leading Finance and Supply Chain for their wholly owned subsidiary Nuseed

Listed and non-listed experience in FMCG and agriculture across Australia, the Netherlands and USA.

Responsibility for leading the Finance organisation to drive sound decision making and financial performance across the business.





# Contents

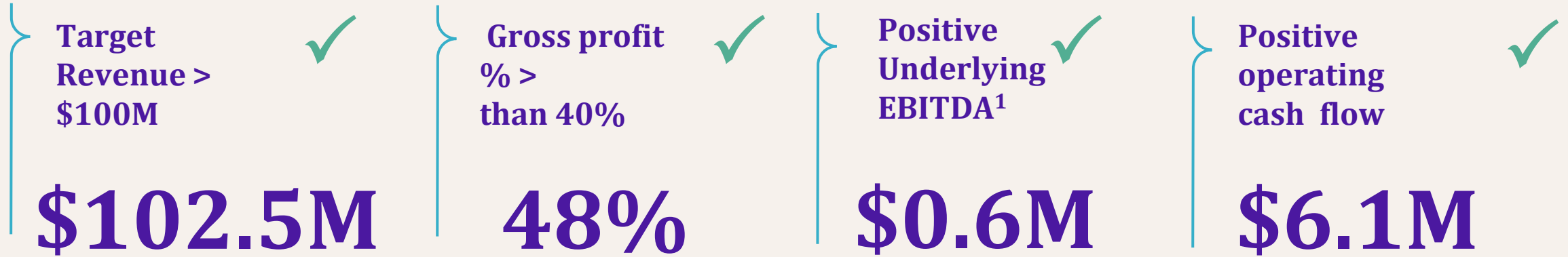
FY25 Financial Results

Update by Market

Strategy Update



# In a challenging operating environment, Bubs delivered on its FY25 commitments



## Forward focus

- Assessing business performance and dynamic global environment
- Elevating ambition and aligning execution to deliver our full potential
- Strategy update late November 2025

<sup>1</sup> Underlying Earnings before Interest, Tax, Depreciation and Amortisation (Underlying EBITDA) is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review.

# ✓ Strong demand in key markets delivering revenue growth of 29% to \$102.5M

Income statement		
\$'M	FY25	FY24
Revenue	102.5	79.7
Gross Profit	49.1	38.7
Gross profit (%)	48%	49%
Other income / (expense)	2.0	0.3
Operating expenses		
Distribution	(7.4)	(7.2)
Marketing	(12.4)	(13.9)
Administrative and other costs <sup>1</sup>	(28.8)	(37.3)
Credit recoveries / (Expected credit losses)	3.1	(0.9)
Total Operating expenses	(45.6)	(59.2)
EBITDA <sup>2</sup> (loss) / profit	5.5	(20.3)
Depreciation & amortisation	(0.7)	(0.9)
Net finance income	1.0	0.7
Income tax expense	(0.0)	(0.5)
Restructuring costs	(0.2)	0.0
Net profit / (loss) after tax	5.5	(21.0)
Underlying EBITDA <sup>3</sup> profit / (loss)	0.6	(20.3)

**Revenue** up 29%, with USA being the biggest revenue driver (up 52%)

**Gross Profit** up 27% reflecting Bubs focus on volume, mix and margin in our core markets

**Operating expenses** down 23% reflecting cost reduction initiatives, reduction in one-off expenses and provision release of \$3.0M relating to the Alice & Willis legal settlement

**Underlying EBITDA** of \$0.6M<sup>3</sup> reflecting focus on expanding high performing SKUs across key markets and reduced operating expenses

<sup>1</sup> Administration and other costs do not include depreciation & amortisation and restructuring costs, and is a Non-IFRS measure. Non-IFRS measures have not been subject to audit or review.

<sup>2</sup> EBITDA is a non-IFRS term and refers to Earnings before Interest, Tax, Depreciation and Amortisation. Non-IFRS measures have not been subject to audit or review.

<sup>3</sup> Underlying Earnings before Interest, Tax, Depreciation and Amortisation (Underlying EBITDA) is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review. Excludes proceeds from insurance claims \$1.3m and credit recoveries/ legal settlements of \$3.6m

Figures in above table may differ to financial statements due to rounding





# Delivered \$42.5M Net Assets due to strong operating result and tight working capital management

Balance Sheet		
\$'M	Jun-25	Jun-24
Cash and cash equivalents	17.4	17.5
Trade and other receivables	10.6	9.3
Inventories	20.1	28.2
Other current assets	2.8	4.5
<b>Current assets</b>	<b>50.9</b>	<b>59.6</b>
Plant and equipment	3.7	4.0
Right of use assets	0.8	1.3
Intangible assets	1.2	1.2
Other non-current assets	0.6	0.5
<b>Non-current assets</b>	<b>6.3</b>	<b>7.1</b>
Trade and other payables	10.3	17.7
Other current liabilities	3.0	4.8
Borrowings	0.0	5.3
Lease liabilities	0.7	0.7
<b>Current liabilities</b>	<b>13.9</b>	<b>28.5</b>
Lease liabilities	0.3	1.0
Other non-current liabilities	0.5	0.4
<b>Non-current liabilities</b>	<b>0.8</b>	<b>1.4</b>
<b>Net Assets</b>	<b>42.5</b>	<b>36.9</b>

Figures in above table may differ to financial statements due to rounding

**Cash and cash equivalents** of \$17.4M at Jun-25 reflecting continued focus on cash generation for the Group

**Trade and other receivables** increased by \$1.3M due to strong revenue growth in all core markets

**Inventories** decreased by \$8.1M due to tight supply outlook, demand planning and focus on working capital management

**Trade and other payables** decreased by \$7.4M, largely due to timing differences on goat solid purchases

**Borrowings** eliminated due to repayment of the NAB debt facility during FY25, with \$10.0M of undrawn headroom now available

# ✓ Delivered \$6.1M in positive operating cash flow

Cash Flow		
\$'M	FY25	FY24
<b>Cash flows from operating activities</b>		
Receipts from customers	103.7	77.7
Payments to suppliers ,employees and government	(97.5)	(104.1)
Interest received	0.3	0.3
Interest paid	(0.5)	(0.2)
<b>Net cash from/(used in) operating activities</b>	<b>6.1</b>	<b>(26.3)</b>
<b>Cash flows from investing Activities</b>		
Purchases of property, plant and equipment	(0.1)	(0.2)
Purchases of intangible assets	(0.0)	(0.0)
<b>Net cash from/(used in) investing activities</b>	<b>(0.1)</b>	<b>(0.2)</b>
<b>Cash flows from financing activities</b>		
Proceeds from / (repayments of) borrowings	(5.3)	3.0
Proceeds from share issue	0.0	17.4
Capital raising costs	0.0	(1.7)
Repayment of lease liabilities	(0.7)	(0.7)
<b>Net cash from/(used in) financing activities</b>	<b>(6.0)</b>	<b>18.0</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(0.0)</b>	<b>(8.5)</b>
Cash and cash equivalents at beginning of financial year	17.5	26.1
Effects of exchange rates on cash held	(0.1)	
<b>Total cash and cash equivalents at the end of the period</b>	<b>17.4</b>	<b>17.5</b>

**Net cash from operating activities** increased to \$6.1M, a significant improvement of \$32.4M over prior year

**Receipts from customers** increased \$26.0M from prior year, driven by higher sales revenues on all core product segments, in particular goat IMF sales in USA

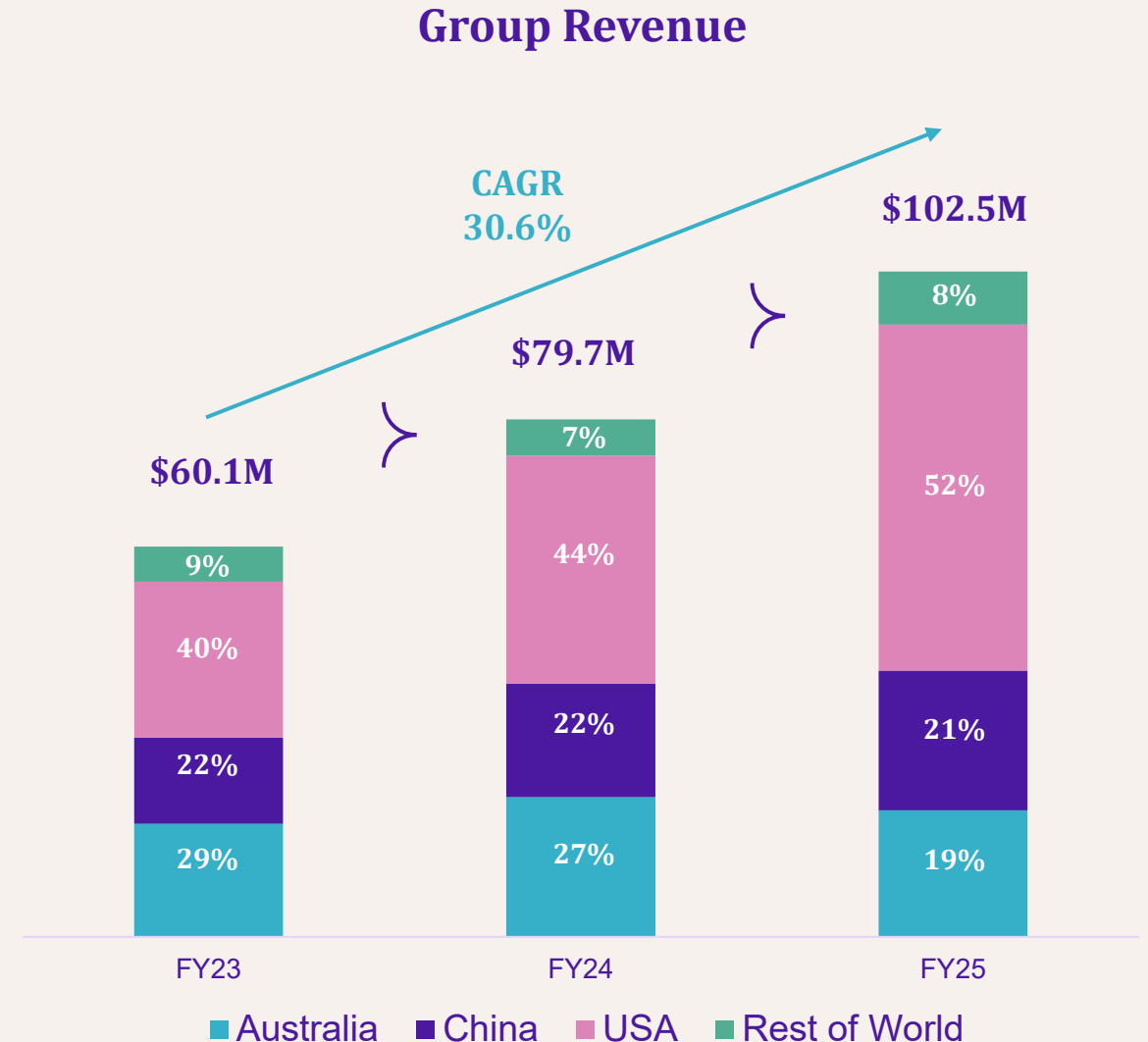
**Payments to suppliers** decreased \$6.6M due to focus on working capital processes and diligent supply-demand planning

**Overall cash position** has improved significantly with a decrease in cash and cash equivalents of just \$0.1M in FY25 despite repayment of \$5.3M borrowings



# Delivered growth across all key markets, with USA the highlight with strong volume and value growth across online and retail outlets

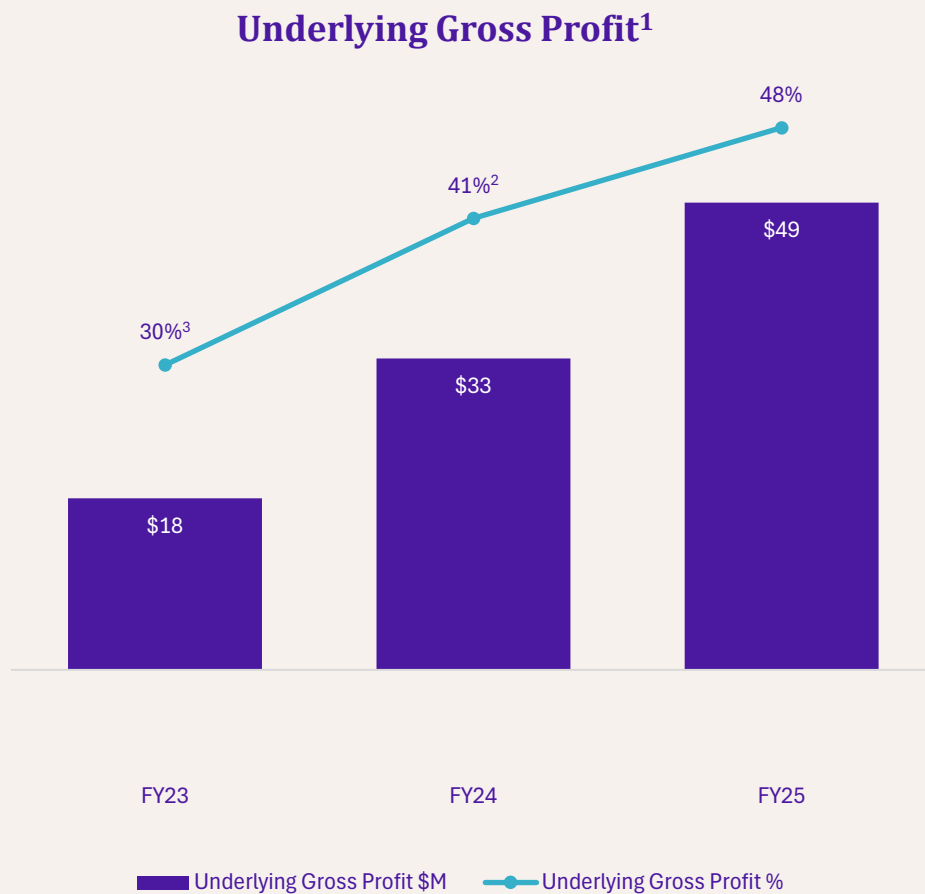
- 81% of sales driven by overseas markets, Australia now represents 19%
- USA fastest growing market at 52% of total at \$53.1M
  - 3-year sales CAGR 49.1% achieved through profitable national coverage via online and physical stores
- China is 21% of total group at \$21.1M
  - 24.4% 3-year sales CAGR achieved through cross border e-commerce (CBEC) and online to offline (O2O) expansion
- Australia is 19% of total group at \$19.8M
  - 6.8% 3-year underlying sales CAGR<sup>1</sup>
- Rest of World is 8% of total group at \$8.5M
  - 27.5% 3-year sales CAGR driven by our Japan and Vietnam markets



<sup>1</sup> Underlying CAGR is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review. Based on Net Revenue excluding canning services and ingredient sales of \$0.6M in FY25 (FY24: \$4.1M).



# ✓ Improved underlying Gross Profit Margin to 48%



- Strong management of margin, mix and market; USA performance a key driver of the uplift to 48%
- Prior year comparatives have been normalized for inventory provisions and loss-making bulk product and ingredient sales

<sup>1</sup> Underlying gross profit is a non-IFRS measure and excludes net inventory provision / reversal and sale of bulk product / ingredients. Non-IFRS measures have not been subject to audit or review.

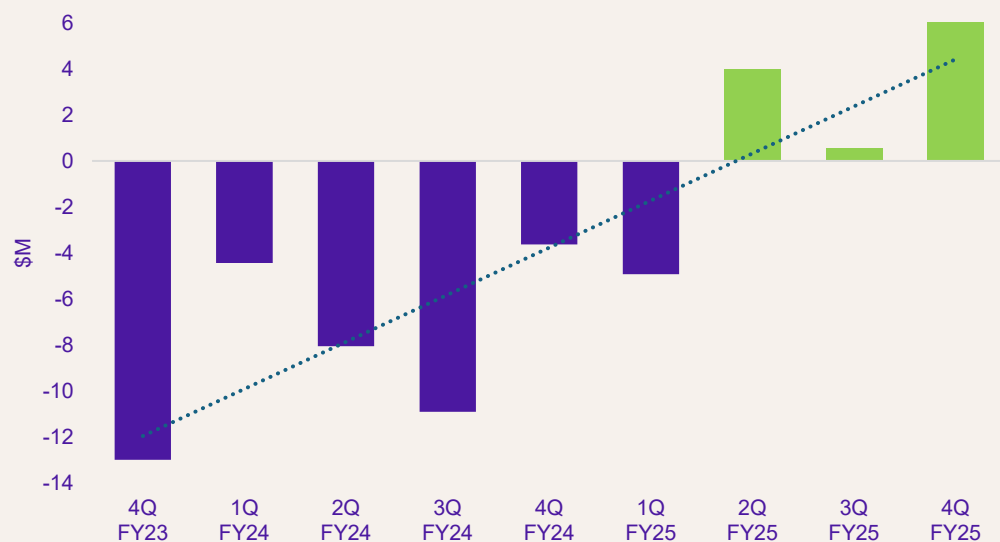
<sup>2</sup> FY24 Underlying 41% Gross Profit %. Reported 49% Gross Profit %

<sup>3</sup> FY23 Underlying 30% Gross Profit %. Reported -15% Gross Profit %

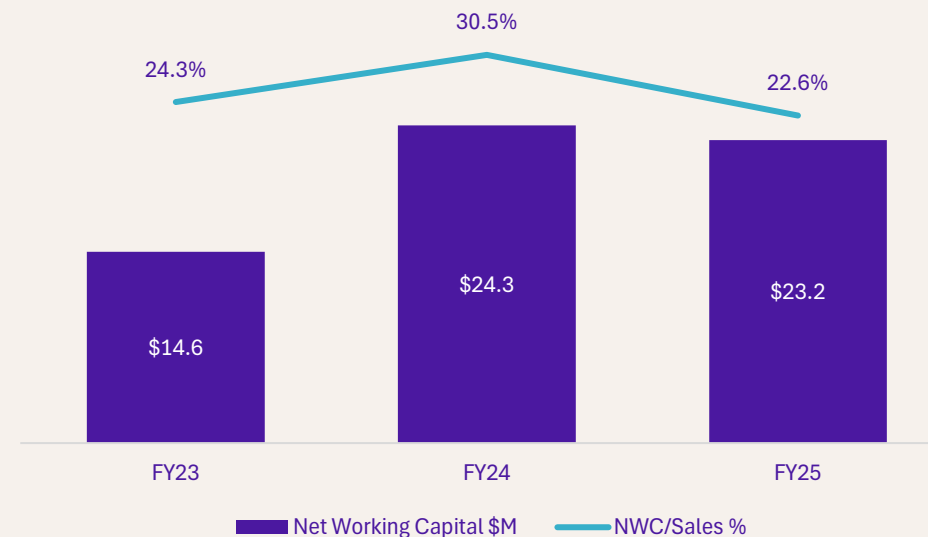
# ✓ Delivered positive cash flow over 3 consecutive quarters

- Positive operating cash flow (OCF) for last three quarters of FY25 increasing to \$6.1M by end Q4 FY25
- OCF impacted in H1 FY26 due to buildup of inventory to support USA demand growth
- Disciplined approach to working capital to ensure sufficient funds available to meet short term business obligations
- Net Working Capital (NWC)/Sales at 22.6%, reflecting a low point in inventory cycle against a high ambition to grow volume, service customer demand and buffer trade volatility

## Quarterly Net Operating Cash Flow



## Net Working Capital<sup>1</sup>



<sup>1</sup> Net Working Capital = Current Assets (excluding cash and cash equivalents), less Trade and other payables. This is a Non-IFRS measure. Non-IFRS measures have not been subject to audit or review.





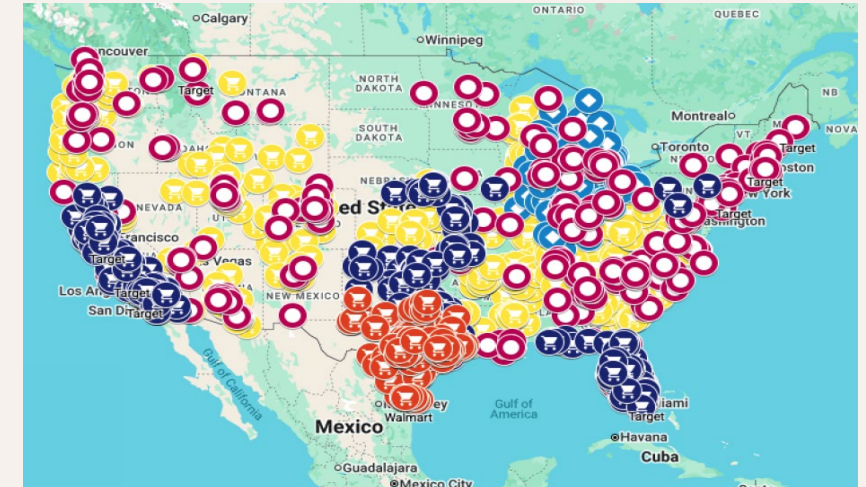
**Update by  
Market**



# USA has grown to become our leading market in volume and value with sales of \$53.1M

- **5,725 stores** and **No.1 position** for Amazon Goat IMF
- Total IMF powder market **\$8B**, growing at 5% YoY
  - Premium Natural IMF market size is **\$770M**, growing **47% YoY**; Bubs grew \$23M (43%) to **9%** share
  - Total Goat IMF market in USA is **\$189M**, growing **124% YoY**; Bubs grew \$23M (74%) to **26%** share
- Monitoring US tariff and trade considerations

5,725 stores across USA



● Kroger ● Meijer ● HEB ● Walmart ● Target

USA product range



USA  
**\$53.1M**  
52% of total Revenue




Target LA store visit



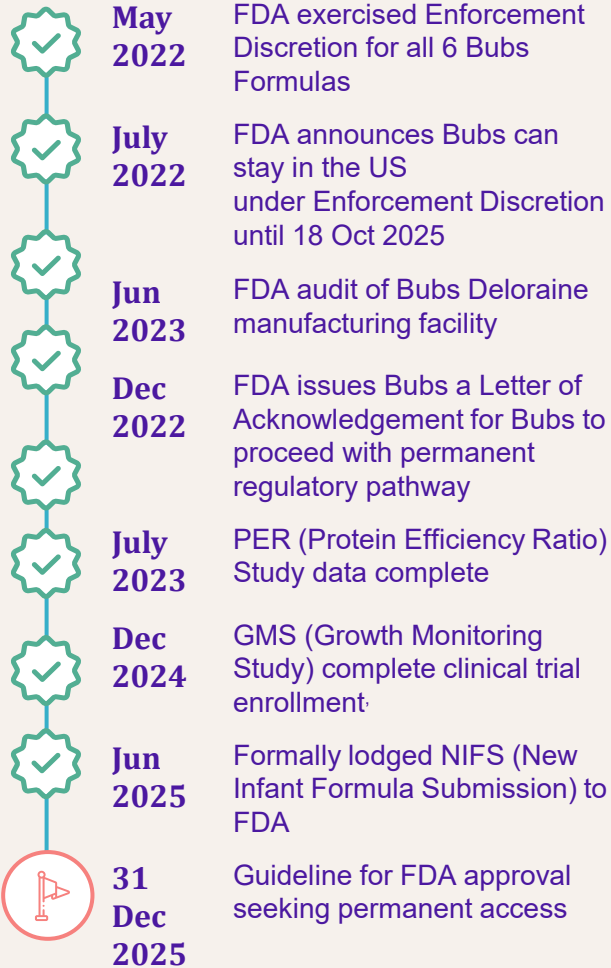
# Submitted New Infant Formula Submission with USA FDA for permanent market access

- Ongoing **engagement with FDA** since May 2022.
- **Successfully completed US** Infant Growth Monitoring Study Dec 2024 – the largest of its kind ever conducted<sup>1</sup>
  - Achieved **positive results across all measures**: Healthy Growth, Tolerance and Satisfaction
- Lodged **New Infant Formula Submission** in June 2025 and notification expected by end of 2025

Growth Study Satisfaction Survey

	 B100	 B200	 B300
16-week Satisfaction Survey**			
Overall, I was "very satisfied" with this formula	94%	90%	95%
My baby liked the formula "very much"	88%	86%	91%
My baby did "well/very well" on this formula	97%	94%	95%
I would "likely/very likely" use this formula again	94%	98%	98%
I would "likely/very likely" recommend this formula to other parents	100%	100%	98%

## FDA Transition Guidance & Regulatory Pathway



<sup>1</sup> Review based on 5 published, recently completed, and in progress growth monitoring studies. July 2025

# China growth has focused on Goat IMF within O2O and CBEC with strong growth in CBEC of 15% against category decline of 22%

- A **diversified brand** portfolio - Goat, Supreme and CapriLac
- Bubs Goat IMF CBEC category **share increased from 14% to 20%** on major Ecommerce retailers<sup>1</sup> with gross value up 15% YoY, outperforming category which declined 22%
- **Established O2O channel**, reaching 1,315 stores through 99 cities in 33 provinces

China  
**\$21.1M**  
21% of total Revenue



<sup>1</sup>Source: Metricko.com, Tmall & JD.com Goat IMF GMV (CBEC) as at 30/06/2025. \$ AUD



# We have maintained our leadership position in Australian goat IMF with 53.5% share

- Australia's **No.1 Goat IMF** with 53.5%<sup>2</sup> of sub-category
- Competitive home market where we offer a **balanced IMF product portfolio** of Goat, Organic and Essential
- **Launch of Bubs Essentials** marks strategic expansion into mainstream infant nutrition segment



Retail ranging



Launch of Essential product

<sup>1</sup> Underlying Net Revenue is a non-IFRS measure. Non-IFRS measures have not been subject to audit or review. Excludes canning services and ingredient sales of \$0.6M in FY25 (FY24: \$4.1M).

<sup>2</sup> Circana Scan Dollars (\$000's), **Coles, Woolworths and AU My Chemist Group only – Goat IMF Only**. Combined to MAT 29/06/2025

# Japan and Vietnam are our leading growth markets within our Rest of World segment

- Bubs Supreme, Goat & Organic SKUs key growth drivers
- **Japan** - Contributes \$4.3M equal to 50%
- **Vietnam** – Contributes \$2.4M equal 28%. Total Milk Formula market is \$1.7B<sup>1</sup> and grew 5.6% YoY, highlighting significant opportunity
- **Other markets** – Contribute \$1.9M equal to 22%. Markets include Malaysia, Saudi Arabia, Singapore
- **Canada** - New market launch estimated H2 FY26



Japan Rakuten

Rest of World  
**\$8.5M**  
8% of total revenue

Vietnam product range



Vietnam General Trade Channel

<sup>1</sup> Source: Euromonitor as at 22/08/2025, Vietnam Milk Formula Retail Value RSP aggregation of milk formula (excluding special) and special baby milk formula. All figures on this slide are in AUD



# Strategy Update





# We are tracking well against our 5-point strategy



## USA Growth Engine

52% YoY Revenue growth

Application submitted for permanent market access



## China Reset

22% YoY revenue growth  
From CBEC & O2O markets



## Portfolio Optimisation

Focused Portfolio – Infant (Goat & Bovine) and Adult (CapriLac).

Refreshed packaging and sizes



## Sweat the Assets

Deloraine facility well positioned to support future growth



## Working Capital

FY25 positive operating cash flow

Inventory at low point of cycle

# Our strategy update will focus on elevating our ambition and aligning execution to deliver our full potential

## Purpose, Vision, Values



### Customer trust

Market mapping,  
Brand marketing,  
Customer journey,  
Innovation



### Go to market

Digital activation,  
Targeted geographies,  
product, channels and  
partners



### Supply chain

Service, Quality,  
Reliability,  
Efficiency



### Stakeholders

High performing teams,  
Trading partners, Health  
care professionals,  
Regulators

## Shareholder Value



# Q & A