

Bega Cheese Limited

Annual General Meeting

Barry Irvin – Executive Chairman

Pete Findlay – CEO

27 October 2025



Bega Cheese Limited

**2025
ANNUAL
REPORT**





Barry Irvin
Executive Chairman



*creating great food
for a better future*



Agenda

- FY2025 Annual Report
 - Chairman's Report 5
 - Chief Executive Officer's Report 9
- Questions 26
- Adoption of Remuneration Report 30
- Election of Directors 31

Welcome

- Shareholders
 - Suppliers
 - PricewaterhouseCoopers
 - MUFG Corporate Markets
 - Bega Group staff
-
- Apologies



Our transformation

We have built the capability and focus to grow as a leading branded food business.

BUILD **1899–2000**

- Dairy co-operative based in Bega Valley
- Primarily cheese production

EXPAND **2001–2016**

- Acquisition of Tatura Milk Industries
- Investment in scale and capacity
- Successful ASX listing
- Product expansion into nutritionals, cream cheese, cheese cut and wrap

BALANCE **2017–2020**

- New platform with acquisition of grocery brand portfolio including Vegemite
- Grow Branded business while diversifying milk sourcing
- Product expansion into spreads and other non-dairy

STRENGTH **2021–2025**

- Increased brand portfolio with iconic dairy brands
- Extensive distribution network with an expanded customer base
- Accelerated investments in innovation and branded growth
- Product expansion into beverages, yoghurts and more

FUTURE **2026–2030**

- Product innovation that responds to the functional health benefits of dairy
- Productivity through technology and scale
- Grow international branded presence
- Expand global sourcing



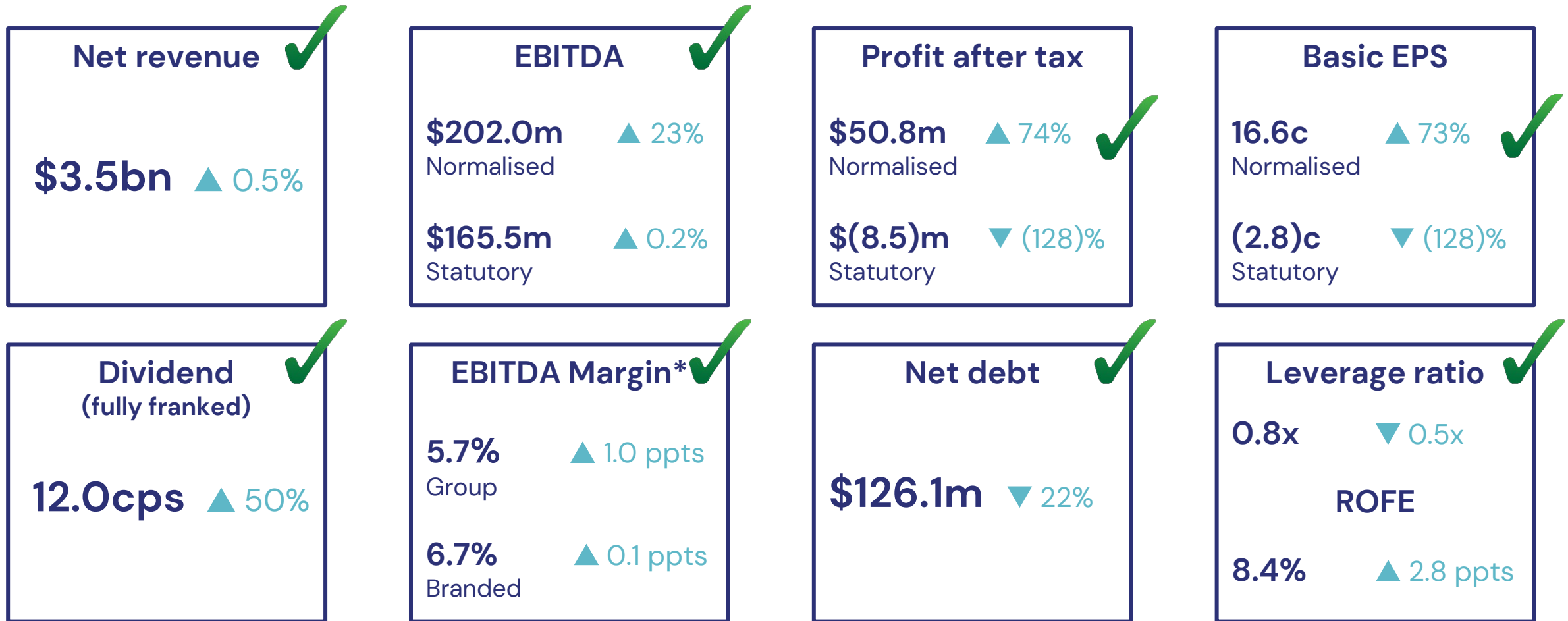
Key messages

- Strong FY2025 Group results with continued successful implementation of the Strategic Plan
- Transformational initiatives building for the future
- Branded performance driven by a focus on key categories and innovation
 - Volume growth in white milk, yoghurt and spreads
 - Launch of high protein and 'better for you' products
- **Channel growth in line with strategic plan**
- **Successful implementation of efficiency programs and site rationalisation**
- Bulk business recovery
- Continued improvement in staff engagement and safety results
- Improved operating cashflow and strong balance sheet with leverage ratio of 0.8 times.



Performance highlights

Strong progress on most normalised financial metrics in FY2025 when compared to FY2024.



* Normalised



Pete Findlay
CEO



*creating great food
for a better future*

Strategy 2028 priorities

S28



VISION

To become the great Australian food company

PURPOSE

Creating great food for a better future

2023–2028 HORIZON

Focus and simplify

Protect and grow the core

Invest behind our 'power brands' to drive marketplace participation and growth.

Win on the street

Improve our competitiveness by leveraging our distribution and product capability.

Streamline our sites

Optimise our manufacturing and distribution footprint.

Sustainability

Deliver Strategy commitments focusing on circularity, community and collaboration.

Secure solids

Grow and diversify the supply of milk solids to support branded growth and plant efficiency.

International opportunity

Focus and grow our international business.

Organisational Enablement

Creating a sustainable organisation to achieve our strategy

Values

Grow our people

Passion for customer and consumer

Invest in our future

Support each other

FY2028 Metrics

ROFE >10%

EBITDA >\$250M

Revenue >\$3.9B

Gross margin >23%

Engagement >4.0

CO2 40% reduction by 2030

Safety targets

Gender 40:40:20



FY2025 operational highlights

New product launches in FY2025

- Dare Protein, now the number 1 protein iced coffee
- Dairy Farmer's Protein smoothies
- Dare Charged line-up of high energy, low calorie long-life products
- Whipped Bega Peanut Butter
- Farmers Union Greek Yoghurt Protein 500g
- Dairy Farmers Mars flavoured milk and Big M Maltesers flavoured milk
- Farmers Union Gut Good yoghurt

Increased investment behind power brands

- Increased marketing investment by \$8 million to support above innovation

Bulk segment recovery

- Bulk segment returning to profitability with farm gate milk prices more aligned with global dairy commodity pricing
- Ongoing focus on cost, selling higher value dairy proteins, and supporting Branded expansion



FY2025 operational highlights

Continued refinement of Branded assets and footprint

- Future consolidation of Strathmerton cheese site into Bega Valley announced.
- Peanut Company of Australia (PCA) strategic review finalised; exit of Kingaroy and Tolga sites in 12-18 months.
- Leeton site sale and long-term supply agreement.

Optimisation of chilled distribution network

- Laverton warehouse automation progressing: completion expected 2H FY2026
- 'Cost to Serve' initiatives success in reviewing minimum order values, route density improvements and optimal range reviews.
- "MyBega" business-to-business portal now fully operational and rolled out to over 20,000 customers.

Domestic Food Service

- Above market growth in food service with a high single digit volume increase despite soft out-of-home consumption.

International profit growth

- Increased 'on the ground' presence in Singapore, Thailand and Dubai



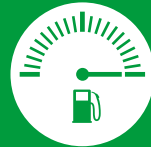
Consumer trends

Changing consumer trends continue to shape portfolio and activation priorities

**Treat
& reward**



**Everyday
performance**



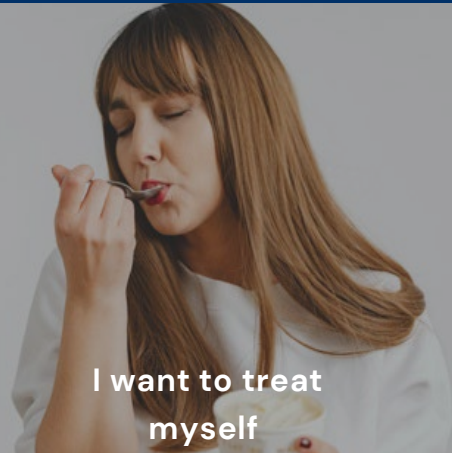
**Gut
health**



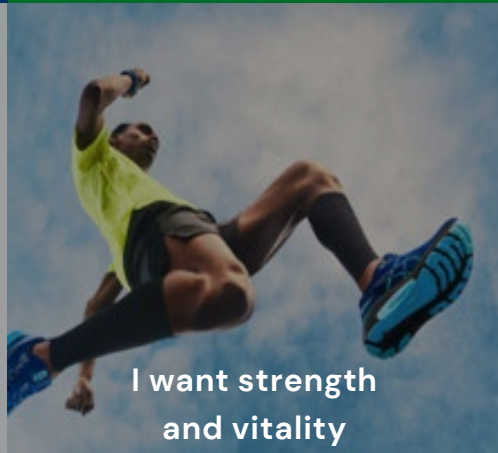
**Weight
wellness**



**Healthy
mind**



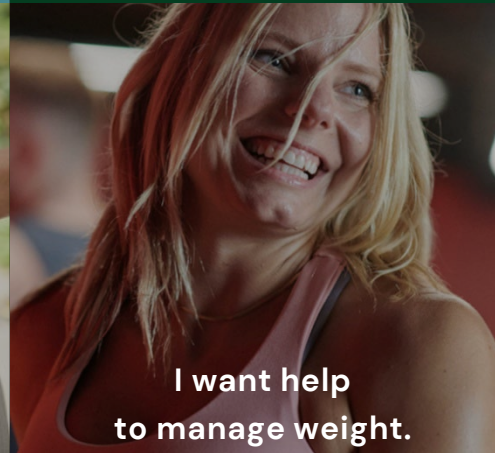
I want to treat
myself



I want strength
and vitality



I want better
overall wellness



I want help
to manage weight.



I want clearer
thinking

Market leading brands in growth categories

- Our eight '**power brands**' contribute majority of Branded revenue
- **Iconic Australian brands** with enduring appeal
- **Strong market positions**
- Covering **essential consumer items** to discretionary **purchases**
- **Widely available and accessible** for most Australians

Category	Category size \$m	Category annual growth	Bega's share	Market position	Bega Brands
Fresh white milk	2,145	-1%	12%	3	    
Yoghurt	2,114	10%	24%	2	  
Milk based beverages	1,142	9%	46%	1	    
Spreads	776	4%	28%	1	  
Chilled juice	729	8%	18%	2	  
Creams and custards	665	1%	8%	4	 
Water ice	67	-1%	89%	1	 

Data (retail sales value) sourced from Circana Market Edge 12 months to 29 June 2025 based on data definitions provided by Bega. (Market: AU Grocery Unweighted and Structured Convenience). Excludes Costco, Aldi, local trade and unstructured convenience.

Portfolio growth through trend framework

Expanded portfolio in core categories

**Everyday
performance**



**Gut
health**



**Treat
& reward**



Evolving the portfolio to deliver to consumer needs

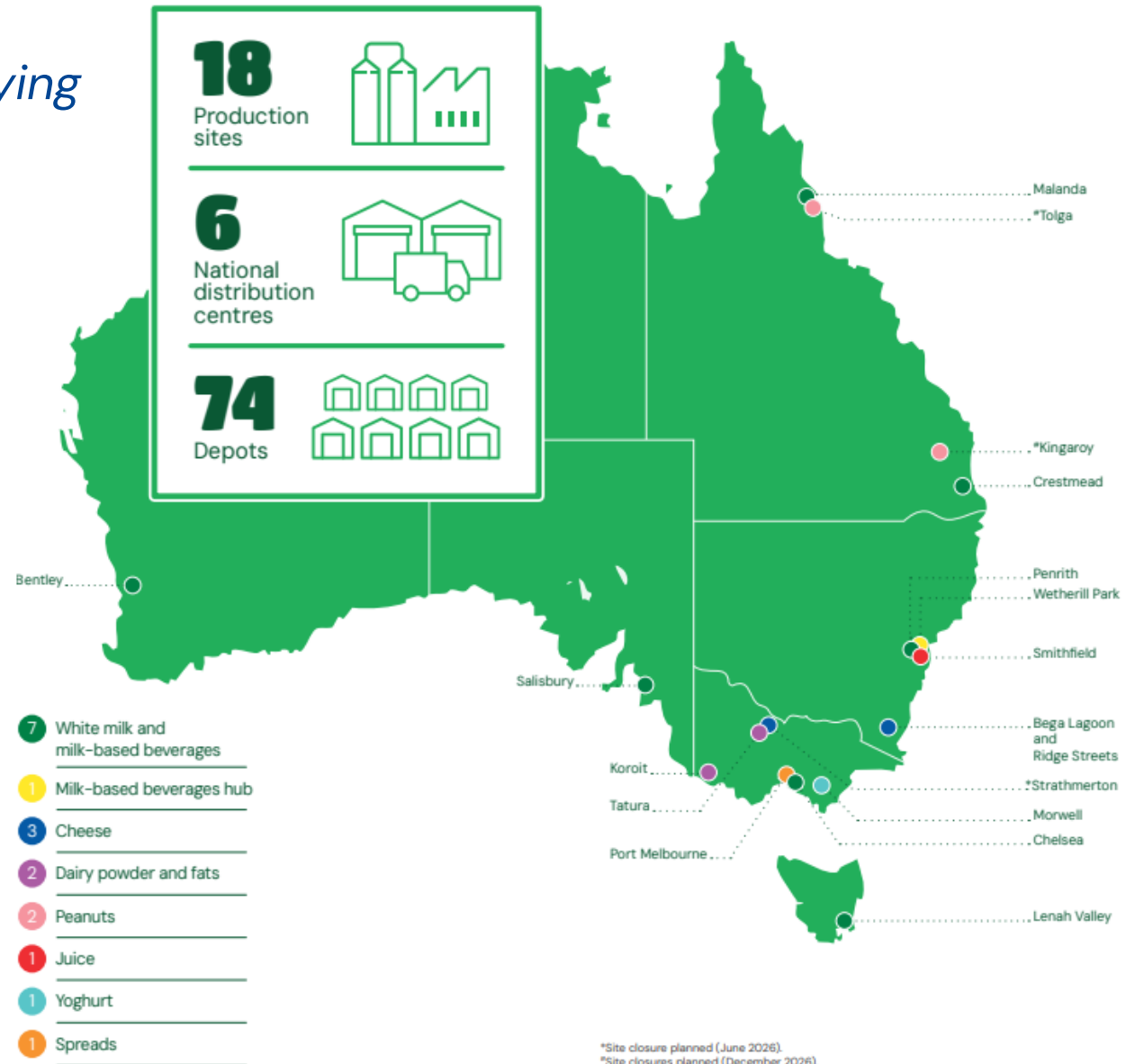
- Reshaped milk-based beverages to meet demand for protein accelerating Dare Protein to #1 protein iced coffee and launched Dairy Farmers Protein Smoothies.
- Launched Dare Charged into the energy segment.
- Expanded lactose free white milk distribution and accelerated share.
- Expanded Farmers Union into high protein yoghurt and gut health yoghurt with Gut Good.
- Innovated in new taste and texture experiences with Whipped Bega Peanut Butter & Mars/Maltesers milk.

Manufacturing network

Continuous focus on streamlining and simplifying

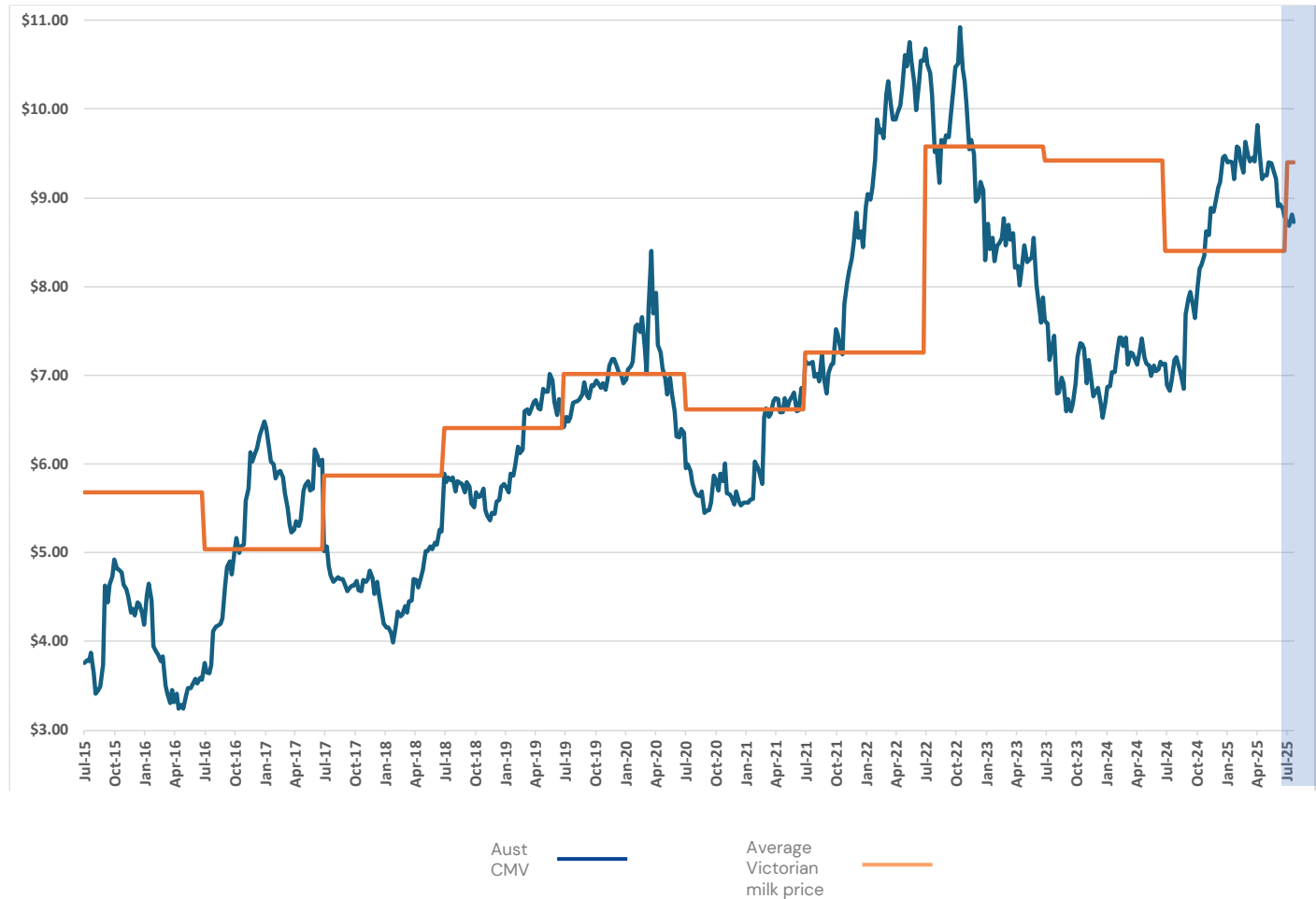
Key FY2025 Initiatives:

- Consolidation of Strathmerton cheese site into Ridge Street in Bega Valley announced and expected to be completed in late FY2026.
- Strategic review of Peanut Company of Australia (PCA) completed; announced exit of Kingaroy and Tolga sites in 12–18 months.
- Sale of Leeton juice primary processing facility in October 2024 further simplified our supply network.
- Reduced over 25% of coolrooms and warehouses over the past 4 years.
- Completed consolidation of Tasmanian footprint.



Farm gate milk price and commodity returns

Victorian Milk Price and Commodity Value



Source: Ever.Ag Insights

¹ Source: Dairy Australia

Key themes:

- Bulk business returned to profit in FY2025 as dairy commodities and farm gate milk prices better aligned
- In response to increased commodity prices, Bega Group increased its Victorian milk price twice in FY2025.
- FY2026 opening Victoria milk prices higher reflecting annualised improvement in commodity prices.
- Slight decline in national milk pool, -0.7% in FY2025 versus prior year.¹

Sustainability: Great food for a better future

The sustainability strategy focuses on three pillars

- Informed by our most material sustainability impacts.
- Aligns with our vision of an enduring legacy of our business
- Demonstrates our commitment to the United Nations Sustainable Development Goals.



CIRCULARITY

Leading in circularity through our practices, industry partnerships and effective use, reuse and recycling of our resources.



COMMUNITY

Making a positive and lasting impact by supporting our people, their families and our communities.



COLLABORATION

Working together with our producers and communities to enable sustainable practices, grow domestic economies and deliver great Australian products that people love and trust.

RESOURCE EFFICIENCY

- Measuring and improving how circular we are.
- Minimising waste and maximising diversion by designing for recovery.
- Working with our customers and brands to align with national packaging targets.
- Cutting water use by 30% by 2030*.

EMISSIONS REDUCTION

- Net Zero Carbon by 2050.
- 40% reduction in scope 1 and 2 emissions by 2030*.
- Collaborating to mitigate scope 3 emissions.



*From FY2021

EMPLOYEE HEALTH AND WELLBEING

- Safety is our first priority. We provide a healthy and safe workplace for all.
- Supporting the health and well-being of our people and their families.
- Promoting diversity, inclusion and gender equality.

POSITIVE NUTRITION OUTCOMES

- Providing great-tasting nutritious products for all life stages.
- Clearly communicating nutrition information for informed, healthy choices.

COMMUNITY ENGAGEMENT AND AWARENESS

- Supporting our communities to create meaningful and lasting impacts.

NATURAL RESOURCE MANAGEMENT

- Supporting healthy ecosystems and a sustainable dairy industry.
- Promoting on-farm biodiversity and ecological protection.
- Integrating mitigation, adaptation and resilience strategies to effectively manage and report on climate risk.

RESPONSIBLE AND ETHICAL PROCUREMENT

- Sourcing ingredients from suppliers that share our ethical procurement values and use accredited sources.

QUALITY SUSTAINABLE PRODUCTS

- Delivering value to our consumers through high quality products and sustainable practices across our value chain.

Financial key messages

Group normalised EBITDA \$202.0 million, higher by \$37.9 million (+23%) compared to FY2024.

- Branded EBITDA \$205.2 million, higher \$5.3 million (+3%)
- Strong volume growth in yoghurt, spreads, white milk and foodservice. Cheese and white milk categories impacted by price deflation.
- Growth in grocery and foodservice offset reduced foot traffic in impulse & convenience and QSR.
- Significant manufacturing rationalisation and overhead savings mitigating cost inflation.
- Increased investment in marketing to support key categories and NPD.

Bulk segment EBITDA returns to profitability with FY2025 EBITDA \$38.7 million, compared to a loss in FY2024 of \$18.2 million.

- Farm gate milk prices in FY2025 better reflected global commodity markets.
- Modest increase in milk supply with focus on high value bulk products.

Manufacturing rationalisation

- Sale of Leeton primary juice processing site
- Impairment and provisioning following announcement of Strathmerton closure to be completed in late FY2026
- Impairment of selective equipment associated with manufacturing footprint and portfolio rationalisation.

Net debt at \$126.1 million and leverage ratio of 0.8x, well below FY2024 levels.

Profit and loss

Normalised \$ millions	FY2025	FY2024	+/- %
Net revenue	3,539.0	3,521.6	0.5%
EBITDA	202.0	164.1	23.1%
D&A	(91.2)	(88.0)	3.6%
EBIT	110.8	76.1	45.6%
Net finance costs	(33.8)	(34.5)	(2.0)%
Profit before tax	77.0	41.6	85.1%
Tax	(26.2)	(12.4)	111.3%
Profit after tax	50.8	29.2	74.0%
Basic EPS (cents per share)	16.6	9.6	72.9%

* includes impairment

Statutory \$ millions	FY2025	FY2024	+/- %
Net revenue	3,539.0	3,521.6	0.5%
EBITDA	165.5	165.1	0.2%
D&A*	(138.4)	(90.8)	52.4%
EBIT	27.1	74.3	(63.5)%
Net finance costs	(33.8)	(34.5)	(2.0)%
Profit/(Loss) before tax	(6.7)	39.8	(116.8)%
Tax	(1.8)	(9.3)	(80.6)%
Profit/(Loss) after tax	(8.5)	30.5	(127.9)%
Basic EPS (cents per share)	(2.8)	10.0	(128.0)%

Key points

- FY2025 net revenue +0.5% despite price deflation in some cheese and fresh milk categories and challenging consumer sentiment.
- Normalised Profit After Tax (PAT) +74%; Statutory loss after tax of \$(8.5)m reflects impairment and one-time costs associated with significant manufacturing footprint rationalisation.
- Relatively stable interest rate environment leading to marginally lower financing costs.
- Normalised EPS higher 73% to 16.6 cents per share.

Key performance measures

\$ millions unless otherwise stated (Normalised)	FY2025	FY2024	Change
Net revenue growth vs prior year	0.5%	4.3%	(3.8) ppts
Gross margin (% of net revenue)	21.5%	19.8%	1.7 ppts
EBITDA	202.0	164.1	23%
Depreciation and amortisation	(91.2)	(88.0)	4%
Net finance costs	(33.8)	(34.5)	(2)%
Profit after tax	50.8	29.2	74%
Basic EPS (cents per share)	16.6	9.6	73%
Dividends per share (cents per share)	12.0	8.0	50%
Net debt	126.1	162.4	(22)%
Leverage ratio (times)	0.8	1.3	(0.5) times
Return on funds employed (%)*	8.4%	5.6%	2.8 ppts

* calculated on 12 month rolling basis

Key points

- Revenue growth of 0.5% with price deflation in some dairy categories.
- Gross margin expansion to 21.5% predominantly in the Bulk segment.
- Net debt and leverage ratio improvement from increased earnings and working capital reduction.
- Improvement in ROFE by +2.8 percentage points to 8.4%.
- 50% increase in FY2025 fully franked dividends declared to 12.0 cents.

Reconciliation of normalised result

Consolidated period ended 30 June 2025 (\$ million)	Per Financial Statements	Manufacturing footprint rationalisation*	Normalised outcome
Revenue	3,539.0	–	3,539.0
Cost of sales	(2,808.8)	29.6	(2,779.2)
Gross profit	730.2	29.6	759.8
EBITDA	165.5	36.5	202.0
Depreciation, amortisation and impairment	(138.4)	47.2	(91.2)
EBIT	27.1	83.7	110.8
Net finance costs	(33.8)	–	(33.8)
Profit/(loss) before income tax	(6.7)	83.7	77.0
Income tax (expense)/benefit	(1.8)	(24.4)	(26.2)
Profit/(loss) for the period	(8.5)	59.3	50.8
Basic earnings per share – cents	(2.8)		16.6

* includes planned closure and relocation of Strathmerton to Ridge St. Bega, planned wind down of peanut processing operations at Kingaroy and Tolga, completed sale and exit of juice primary processing at Leeton and other production equipment associated with footprint & portfolio rationalisation.

Balance sheet

Balance Sheet*	FY2025 \$m	FY2024 \$m
Cash	120.9	65.6
Trade and other receivables	196.8	350.9
Inventories	366.3	358.1
Property, plant and equipment	657.8	673.4
Right-of-use assets	148.5	150.8
Intangible assets	472.4	476.6
Total Assets	2,040.7	2,138.8
Trade and other payables	455.0	558.4
Borrowing (net of costs)	246.0	226.7
Lease liabilities	193.6	192.2
Provisions	148.1	120.6
Total Liabilities	1,060.5	1,124.0
Net Assets	980.2	1,014.8
Net Debt	(126.1)	(162.4)

* Key balances represented only

Key points

- Net debt of \$126m, a reduction of \$36m.
- Leverage ratio of 0.8x is lower when compared to 1.3x in FY2024 from both increase in earnings and reduction in net debt.
- Receivables lower \$154m with timing of TRF cashflow of \$99m and timing of sales in Q4.
- Payables lower \$103m with timing of TRF cashflow \$105m. Net TRF impact on net working capital of \$6m.
- PP&E reduction to \$658m reflects Strathmerton impairment, depreciation, partially offset by increase in capex.
- Increase in provisions of \$28m mostly to support redundancies associated with the closure of Strathmerton.

Cash flow

Cashflow	FY2025 \$m	FY2024 \$m
Receipts from customers	3,839.5	3,725.2
Payments to suppliers and employees	(3,613.8)	(3,537.8)
Net proceeds from Trade Receivables Facility	(5.7)	7.2
Net interest and other costs of financing paid	(33.8)	(34.5)
Income tax paid	(21.2)	(25.8)
Operating activities	165.0	134.3
Investments in new PP&E and intangibles	(94.4)	(74.6)
Net proceeds from sale of PP&E and intangibles	21.3	34.7
Investments in joint ventures and acquisitions	(3.2)	(12.4)
Investing activities	(76.3)	(52.3)
Net proceeds/(repayments) of borrowings	19.0	(42.0)
Principal elements of lease payments	(24.0)	(21.4)
Dividends paid to shareholders	(28.4)	(19.4)
Financing activities	(33.4)	(82.8)
Net increase/(decrease) in cash and cash equivalents	55.3	(0.8)

Key points

- Operating cashflow \$165m, +\$36m excluding the reduction in the use of TRF facility by \$6m.
- Increase in capital & intangible expenditure to \$94m and includes warehouse automation, manufacturing consolidation and yoghurt capacity as lead initiatives.
- Partial funding of investment in new PP&E through sale of Leeton primary processing site which occurred in FY2025. Sale of Canberra site occurred in FY2024.
- Dividends paid increased to 10 cps (+43% on FY2024).

Outlook

- Improving consumer sentiment.
- Strong branded new product development pipeline satisfying consumer trends.
- Focus on high value categories and cost management programs underpin continued Branded margin growth.
- Accelerated international presence and growth.
- Planned closures of Strathmerton, Kingaroy and Tolga supporting growth and efficiency when complete in FY2027.
- Successful milk recruitment with growth in supply for FY2026.
- On track to exceed EBITDA target of \$250 million by FY2028.
- The Group provides guidance of a normalised EBITDA in the range of \$215m to \$220m in FY2026.



**THANK YOU
&
QUESTIONS**



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for a better future*

Annual General Meeting



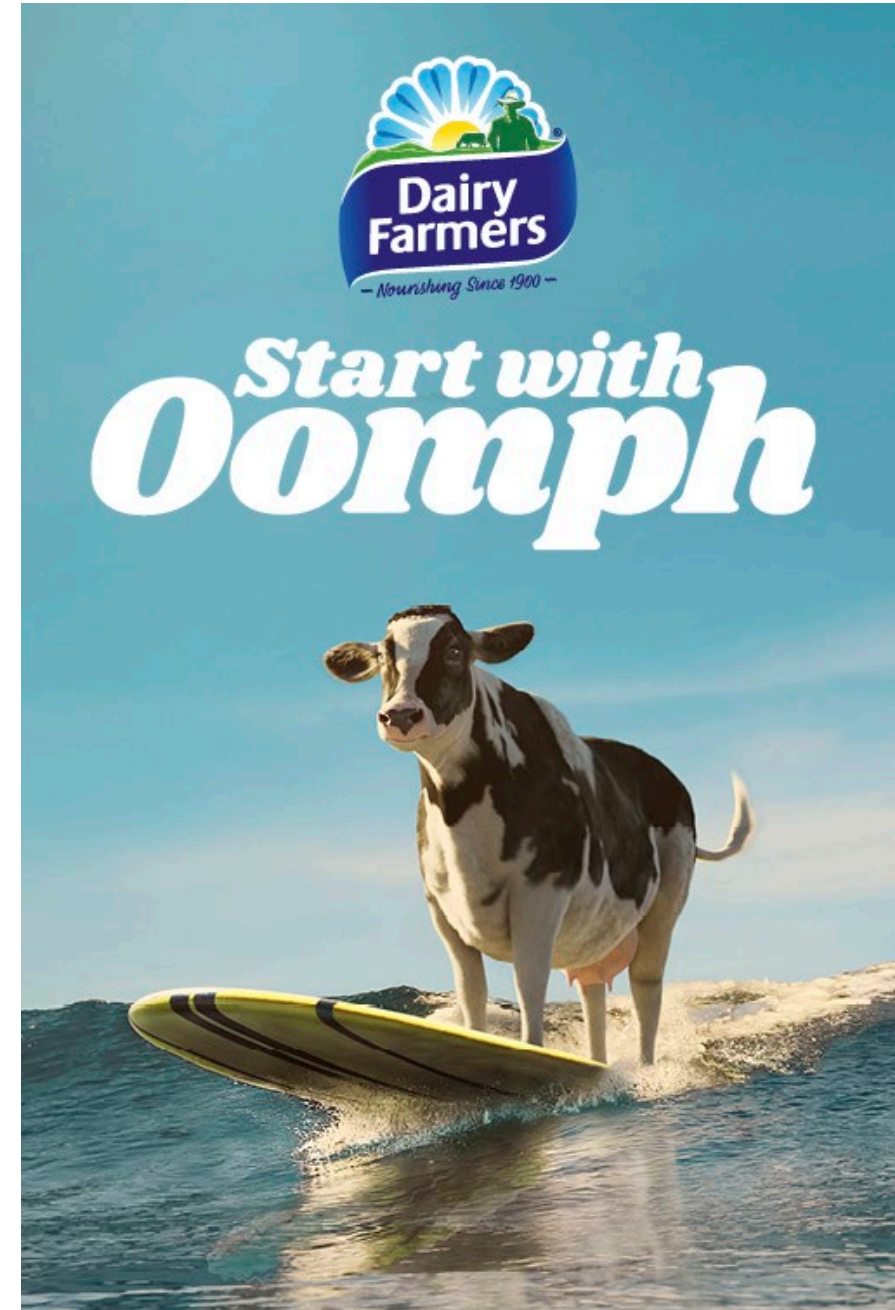
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Voting procedure

- A poll is being held for all resolutions
- Share registrar Ms Julie Stokes of MUFG Corporate Markets (AU) Limited will act as Returning Officer in relation to the polls
- Results available on ASX after the meeting



Resolutions

- Adopt remuneration report for the year ended 30 June 2025
- Election of Directors
 - Patria Mann
 - Janette Kendall



Remuneration report

- Pages 35 to 55 of the 2025 Annual Report
- Board, Executive Chairman, CEO and other key management personnel
- Market data and external advisors

Proxy Votes

- | | |
|---------------|----------------------|
| • Total Votes | 189,192,016 (61.95%) |
| • For | 172,034,177 (90.93%) |
| • Open | 674,341 (0.36%) |
| • Against | 16,483,498 (8.71%) |

Election of Directors

Patria Mann

Proxy votes

- Total Votes 189,344,559 (62.00%)
- For 184,984,564 (97.70%)
- Open 682,029 (0.36%)
- Against 3,677,966 (1.94%)



Election of Directors

Janette Kendall

Proxy votes

- Total Votes 189,338,260 (62.00%)
- For 188,478,861 (99.55%)
- Open 694,387 (0.37%)
- Against 165,012 (0.09%)



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for a better future*

Appendix – glossary

Term	Definition
Basic EPS	Basic earnings per share calculated by dividing net profit (or loss) after tax by the weighted average number of ordinary shares outstanding during the period
CMV	Commodity Milk Value, an indicator that is based on a weighted basket of spot prices of major commodities such as cheese, butter, skim milk powder and whole milk powder converted to an Australian dollar-denominated value of milk
D&A	Depreciation and amortisation (including impairment)
Dairy solids	Dairy solids are the non-water portion of a dairy product and is a term commonly used to describe dairy ingredient inputs in manufacturing. These solids include components such as proteins, fat, lactose and minerals
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortization (including impairment)
EBITDA margin	EBITDA divided by net revenue
Funds employed	Sum of net assets and net debt
1H, 2H	1H refers to the first half of the Australian financial year – July to December, 2H refers to the second half of the Australian financial year – January to June
Leverage ratio	Net debt divided by EBITDA after adjusting for leases in both the numerator and the denominator
Material items	Items of income or expense which have been determined as being sufficiently significant by their size, nature or incidence and are disclosed separately to assist in understanding the Group's financial performance
MBB	Milk based beverages
Net debt	Net debt is calculated by subtracting total cash and cash equivalents from total short-term and long-term debt
Normalised	Result excluding one-off material items that do not reflect the underlying performance
P&C	Petrol and convenience stores
Return on funds employed (ROFE)	EBIT as a percentage of average funds employed
YOY	Year on year

Disclaimer

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