



MEDIA RELEASE

1H FY2026 FINANCIAL RESULTS AND FY2026 OUTLOOK

Great brands and great products deliver great results

Bega Cheese Limited (ASX:BGA) (Bega Group) has released its 1H FY2026 audited results for the financial period ended 28 December 2025. Bega Group significantly grew profitability, driven by continued strong performance of its portfolio of leading brands and a focus on high value product mix for ingredients and nutritionals improving results in the Bulk business.

Key measures	1H	1H	Change	
	FY2026	FY2025	\$m	%
Statutory performance				
Revenue	1,871.3	1,782.1	89.2	5.0%
EBITDA	124.7	109.3	15.4	14.1%
EBIT	78.1	56.6	21.5	38.0%
PAT	46.9	30.2	16.7	55.3%
EPS (cents per share)	15.4	9.9	5.5	55.6%
Normalised performance				
EBITDA	133.4	110.3	23.1	20.9%
EBIT	87.5	64.3	23.2	36.1%
PAT	52.1	35.9	16.2	45.1%
EPS (cents per share)	17.1	11.8	5.3	44.9%
Net debt	219.8	207.2	12.6	6.1%
Leverage ratio (times)	1.2	1.3	-0.1	-7.7%

Bega Group achieved statutory earnings before interest, tax, depreciation and amortisation (EBITDA) of \$124.7 million, higher than 1H FY2025 by \$15.4 million. Statutory profit after tax increased by \$16.7 million to \$46.9 million and statutory EPS increased to 15.4 cents per share (cps).

The normalised 1H FY2026 EBITDA of \$133.4 million increased by \$23.1 million or 21% when compared to the prior period. Normalised EPS increased by 45% to 17.1 cps. Normalised items in the current period represent the continued execution of Bega Group's manufacturing footprint initiatives, including the consolidation of the Strathmerton operations into Bega Group's Ridge Street, Bega site and the exit of the peanut processing business.

Operational highlights of the 1H FY2026 result included:

- sales growth in branded milk, milk-based beverages, yoghurt and juice
- the expansion of branded high protein and 'better for you' products
- double digit growth in International branded sales and increased in-market presence
- a well-positioned product mix particularly from cream cheese, milk protein concentrate and lactoferrin, increased milk supply and additional toll manufacturing

- execution of transformational business improvement initiatives on track, ensuring long-term operational savings across the manufacturing network
- strong balance sheet with a leverage ratio of 1.2 times.

Bega Group's Branded segment normalised EBITDA was \$112.5 million compared to \$104.2 million in the prior year, an increase of 8%. Bega Group fuelled growth in core categories by launching new products to support evolving consumer needs and increased marketing investment to support its leading brands. The company continued to expand sales with growth in grocery, foodservice and international channels in line with strategic objectives. Additionally, the transformational manufacturing initiatives previously announced remain on track with cost savings projected in 2H FY2026 and FY2027.

An improvement in the profit of the Bulk segment was an important contributor to the very strong 1H FY2026 result. Bulk segment EBITDA was \$41.1 million compared to an EBITDA of \$24.4 million in the prior year, higher by 68%. This significant improvement is due to a better initial alignment of farm gate milk prices to dairy commodity prices, incremental milk supply, additional toll manufacturing, and a focus on higher value commodities and nutritionals.

Capital management and leverage ratio

Bega Group's strong balance sheet positions the company well to invest in future growth opportunities. Bega Group had consolidated net debt of \$219.8 million as at 28 December 2025, compared to \$207.2 million as at 29 December 2024, an increase of \$12.6 million. The increase in net debt was primarily from an increase in working capital (partly due to higher milk prices) and a reduction in the utilisation of the Trade Receivable Facility. Bega Group's normalised EBITDA to net debt leverage ratio decreased from 1.3 times at the end of 1H FY2025 to 1.2 times at 28 December 2025.

Interim FY2026 dividend – 7.0 cents per share

Bega Group announced an interim fully franked dividend of 7.0 cents per share for 1H FY2026. The interim dividend will be paid on 2 April 2026. The Dividend Reinvestment Plan will be activated for this dividend.

Outlook

Subject to normal trading conditions, Bega Group updates guidance to an increased normalised EBITDA range of \$222 million to \$227 million in FY2026.

Bega Group remains on track to exceed its five-year strategic plan of \$250 million EBITDA by FY2028.

Ends...

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