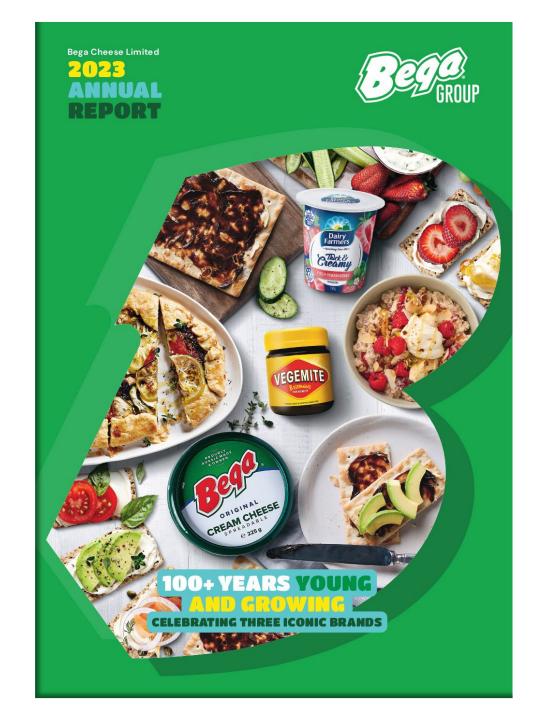


FY2023 Annual General Meeting

24 October 2023



creating great food for a better future



Barry Irvin
Executive Chairman



Agenda

- FY2023 Annual Report
 - Chairman's Report 6
 - Chief Executive Officer's Report
- Questions
- Adoption of Remuneration report 34
- Election of Directors
- Modifications to Constitution

Welcome

- Shareholders
- Suppliers
- PricewaterhouseCoopers
- Addisons Lawyers
- Link Market Services
- Bega Group staff
- Apologies





FY2023 Annual Report



Key Messages

- Branded strategy delivers
 - Market leading brands
 - Strong second half momentum
 - Investment in key growth categories
- Accelerated alignment of organisation to branded strategy
- Commodity market volatility
 - Rapid decline in dairy global commodity pricing in excess of 30% impacting 2H
 - · Australian farm gate milk pricing disconnected from international commodity value
- Right sizing commodity infrastructure
- Strengthened balance sheet
 - 1.6x leverage ratio
- Financial performance
 - Revenue \$3.38b ★ 12%
 - Normalised EBITDA \$160.2m ♣ 11%, Statutory EBITDA \$144.1m ♣ 4%
 - Impairment of commodity assets (\$275.9m)
 - Normalised NPAT \$28.5m, Statutory NPAT (\$229.9m)

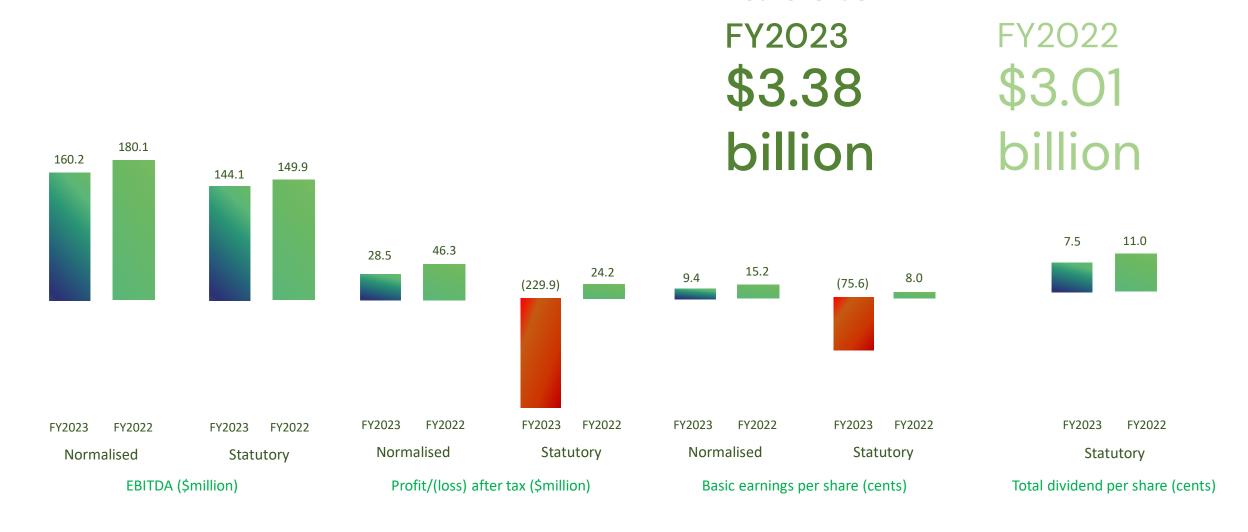


GOT A LOT TO DIGEST?



A DARE FIX'LL FIX IT.

Performance Highlights



Net revenue



Our Vision

TO BECOME THE GREAT AUSTRALIAN FOOD COMPANY



Our Purpose

CREATING GREAT FOOD FOR A BETTER FUTURE

Our Values

GROW OUR PEOPLE PASSION FOR THE CUSTOMER AND CONSUMER

INVEST IN OUR FUTURE SUPPORT EACH OTHER



2021

Transformational Acquisition



Future

A Great Australian Food Company



- · Acquisition of Dairy and Drinks
- · Portfolio of iconic Australian brands
- Broaden customer base and new cold chain distribution network
- Substantial synergies across the supply chain
- Accelerated investments in growth and innovation
- Further growth and diversification of the milk pool
- · Creating great food for a better future
- Diversified portfolio of market-leading brands
- Efficient distribution network servicing customer growth
- · Globally competitive supply chain
- Direct relationship with farmers and suppliers
- Shaping our future through corporate social responsibility and circularity

2018
Strengthen Our
Supply Chain



2017 New Business Platform



2011 Structured for the Future



- · Acquisition of Koroit
- Growth and diversification of milk sourcing
- Strengthening our dairy portfolio
- Integrated and flexible supply chain
- Acquisition of grocery brands
- Entry into spreads category
 Iconic Australian brands,
- Iconic Australian brand including Vegemite
- Extending the Bega brand into new categories
- Accessing capital for growth
- · Successful ASX listing
- Investment in capacity and increased focus on nutritionals and highvalue dairy products

2001 Seeking New Opportunities



2007 Grow and Diversity



2009 Increasing Scale



- · Industry deregulation 2001
- Bega based co-op with strong regional brand
- Acquisition of Tatura
- Entry into nutritionals, cream cheese and milk powders
- Acquisition of Strathmerton
- Cut, pack and processing scale and capability



Sustainability and the Circular Economy

Bega Cheese carbon target

Scope 1 and 2 emissions targets established in support of Paris Agreement goals:

- 50% reduction in emissions intensity by 2030
- 40% reduction in absolute emissions by 2030
- Net zero emissions by 2050

Circularity in the Bega Valley



Waste generation / repurposing



Water



Soil



Biodiversity



Energy
/ GHG emissions



Nutrients
/ Animal feed



Packaging & Logistics



Animal Care



Rural economy / Tourism



Community / Education / Innovation / Aged Care





creating great food for a better future



Pete Findlay - CEO

Branded Business Momentum

- Brands sustained leading market positions and grew volume in an environment of unprecedented cost increases
 - · Pricing initiatives substantially mitigated cost impacts
 - Strong growth in food service and convenience channels
- Restructuring program announced to improve efficiency and customer focus of branded business
 - \$20m in annualised cost savings
- Strong brand innovation and new product development pipeline
- Capacity rationalisation
 - Canberra processing site consolidation to Penrith
 - Automation programs executed across a number of sites
- Maintained CAPEX investments to enable growth and efficiency
 - Wetherill Park sustainable packaging infrastructure commissioned in 2H FY2O23
 - New pouch line at Morwell commissioned in July/August 2023
 - New digital sales B2B platform

THE TRUE VALUE TUB



AUSTRALIA'S Nº1 FAMILY YOGHURT



Innovation and Growth in Brands

Investment in core brands

- Focused marketing investment to enable strong pricing growth
- Vegemite 100 Anniversary execution led to full year growth rate at nearly twice rate of spreads category
- Four iconic brands with 100 years of heritage that remain contemporary
- Strong yoghurt and milk-based beverages performances including 2H launch of sustainable packaging
- 2H international branded sales rebounding from soft 1H with double-digit net revenue growth (focus on cheese and yoghurt)





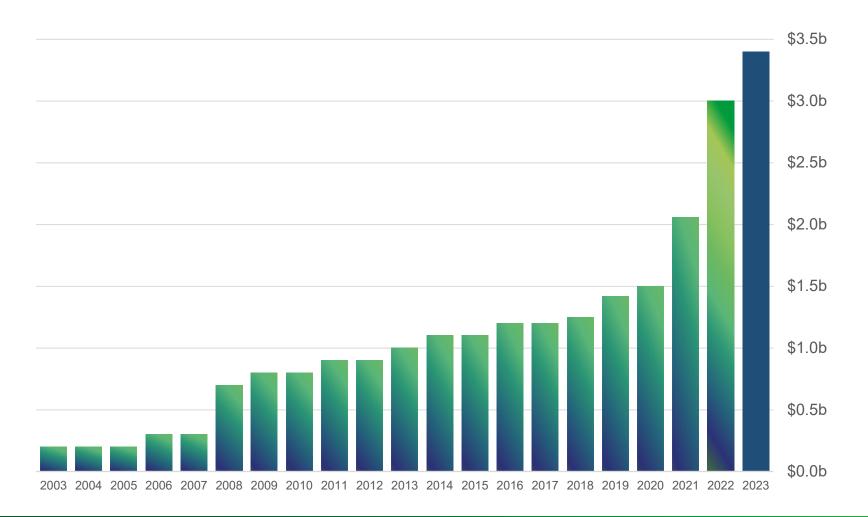






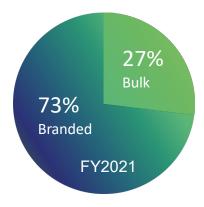


Growing Revenue with iconic Australian Brands











Brand Shares | Australian Retail Categories

Category	Category size \$m	Category Annual growth	Bega share	Market Position	Brands
Fresh white milk	2,118	13%	12%	3	Dairy Farmers Building time 408 Buildin
Yoghurt	1,740	11%	26%	1	FARMERS DAILY PAINTS TO THE PAINTS OF THE PA
Milk based beverages	918	13%	52%	1	MASTERS' Pairry
Spreads	700	5%	31%	1	VEGEMITE Surply HONEY
Chilled juice	657	6%	22%	2	DAILY JUICE JUICE BROTHERS
Creams and custards	596	16%	9%	4	PURA® SEGOTO
Water ice	59	9%	81%	1	ZOOPER BERRI DOOPER BERRI 1943

Data extracted from IRI Total Business Scan (AU grocery Unweighted and Structured Convenience) MAT 30 June 2023. Statements in relation to market share data provided by IRI (and Bega's competitive position) are based on outside data sources, assumptions and weightings in combination with management estimates.

1 Bega calculation based in part on data reported by NIQ through its Scantrack Service for the Spreads category for the 52-week period ending 20 June 2023, for the Total Australia Grocery Channel according to a client defined category and based on value sales. Copyright © 2023, Nielsen Consumer LLC.



Branded Market Strategy

- Grow core grocery through focused innovation and brand execution excellence
 - More people consuming more often across more occasions
- Greater presence in food service and convenience channels
 - Leverage our sales force and national cold chain distribution network
 - Dare the No. 1 impulse beverage brand in convenience*
- Organisation enablement
- Streamline our sites
- International branded opportunities

*Source: Circana (IRI) convenience scanned MAT to 02/07/23 - Volume



New-Lactose free

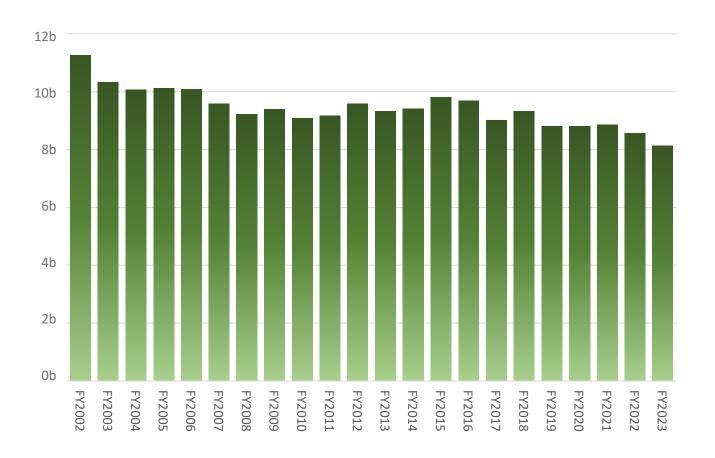








Australian Milk Production



Industry

- Decline in milk production
- Relatively minor rationalisation of industry manufacturing capacity
- Reduced milk availability and industry over capacity increasingly creates disconnect between farm gate milk price and commodity markets

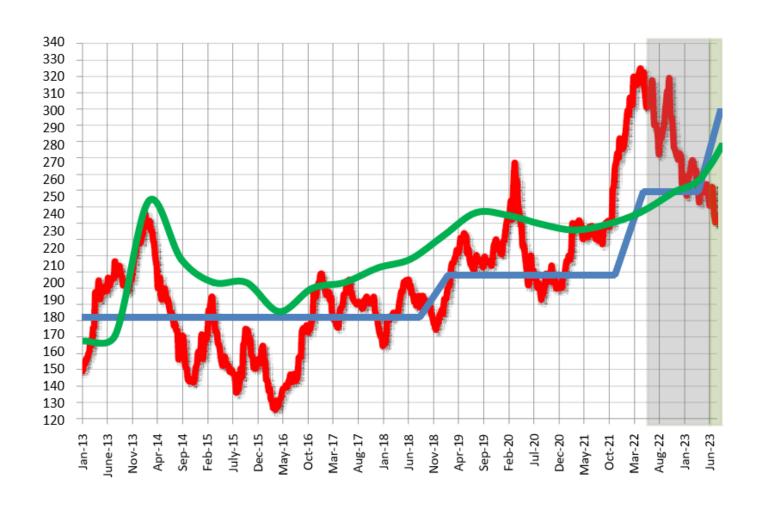
Bega

- Impairment reflects above
- Restructuring to create stronger platforms for future branded growth and infrastructure flexibility
- Future business profile less exposed to farm gate milk volumes and pricing

Source: Dairy Australia



Farm Gate Milk Price and Market Returns



- Domestic consumer markets reflecting farm gate price
- Global commodity prices highly volatile and now disconnected from farm gate milk price
- Further decrease in total milk supply in FY2O23
- Robust competition for milk procurement remains





Manufacturing Network

Manufacturing facilities

- 7 White milk and milk-based beverages
- Milk-based beverages hub
- Cheese
- 2 Dairy powder and fats
- Peanuts 2 Juice Yoghurt Spreads



19 112 national manufacturing facilities

employees

litres milk processed



Dairy Commodity Strategy

- Right sizing commodity infrastructure
- Further aligning commodity capacities and capabilities with branded business
- Focus on higher value commodities and nutritional products
- Ensure capability to respond to international commodity market opportunities when they arise
- Commodity infrastructure will be an important component of ongoing branded business growth





Profit and Loss

Normalised \$ millions	FY2023	FY2022	+/- %
Net Revenue	3,376.0	2,985.8	13%
EBITDA	160.2	180.1	-11%
D&A	(101.9)	(103.7)	2%
EBIT	58.3	76.4	-24%
Net Finance Costs	(23.1)	(12.4)	-86%
Profit Before Tax	35.2	64.0	-45%
Tax	(6.7)	(17.7)	62%
Profit After Tax	28.5	46.3	-38%
Basic EPS (cents per share)	9.4	15.2	

Statutory \$ millions	FY2023	FY2022
Net Revenue	3,376.0	3,009.9
EBITDA	144.1	149.9
D&A / Impairment	(377.8)	(103.7)
EBIT	(233.7)	46.2
Net Finance Costs	(23.1)	(12.4)
Profit Before Tax	(256.8)	33.8
Tax	26.9	(9.6)
Profit After Tax	(229.9)	24.2
Basic EPS (cents per share)	(75.6)	8.0

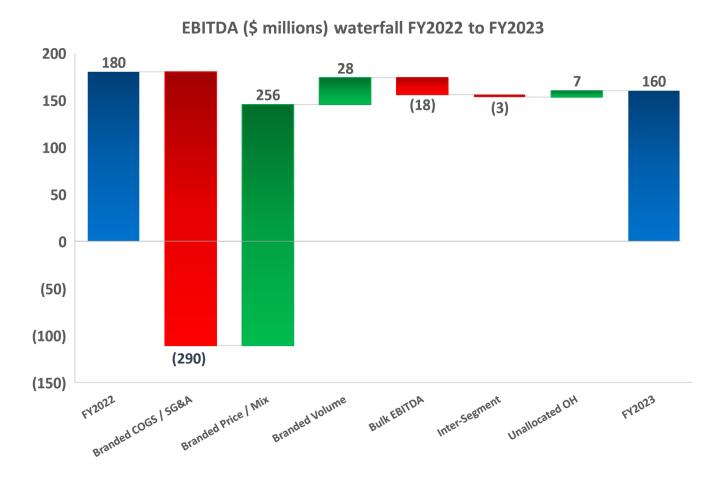


Reconciliation of Normalised Result

Consolidated Period Ending 30 June 2023 (\$ million)	Per Financial Statements	Vegemite Way	Impairment	Restructuring	Other Costs	Tax Consolidation	Normalised Outcome
Revenue	3,376.0	-	-	-	-	-	3,376.0
Cost of sales	(2,719.6)	-	-	-	-	-	(2,719.6)
Gross Profit	656.4	-	-	-	-	-	656.4
EBITDA	144.1	(16.2)	-	26.3	4.8	1.2	160.2
Depreciation, amortisation and impairment	(377.8)	-	275.9	-	-	-	(101.9)
EBIT	(233.7)	(16.2)	275.9	26.3	4.8	1.2	58.3
Net finance costs	(23.1)	-	-	-	-	-	(23.1)
Profit/(loss) before income tax	(256.8)	(16.2)	275.9	26.3	4.8	1.2	35.2
Income tax expense	26.9	(2.0)	(45.9)	(7.9)	(1.4)	19.6	(6.7)
Profit/(loss) for the year	(229.9)	(14.2)	230.0	18.4	3.4	20.8	28.5
Basic earning per share - cents	(75.6)						9.4



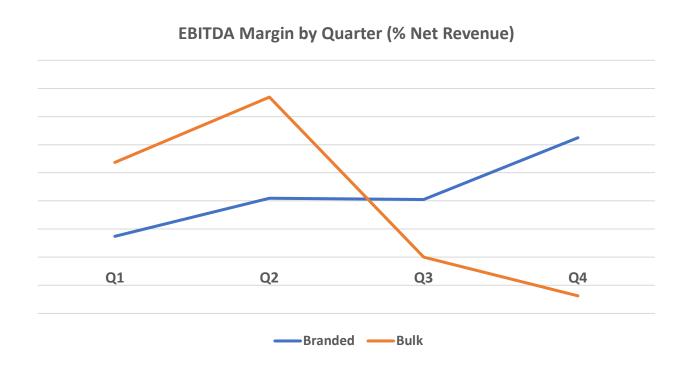
Profitability Overview



- Complex, diverse and rapidly changing circumstances
- Strong double-digit growth price, volume and product mix improvements for the Branded business
- By Q4 cumulative price increases had offset increased costs
- FY2O23 Volume growth in Branded segment delivered \$28m of EBITDA upside
- Bulk segment declined \$(18)m in EBITDA due to rapid decline in 2H commodity prices



Brand Momentum and Commodity Impact



- Successful price execution in branded business in 1H
- Continued branded momentum into FY2024
- Rapid decline in global commodities in 2H
- Commodity impact continues in FY2O24



Cash Flow

	FY2023 \$m	FY2022 \$m
Receipts from customers	3,611.1	3,342.8
Payments to suppliers and employees	(3,607.8)	(3,179.2)
Net proceeds from the Trade Receivables Facility	36.6	18.9
Interest and other costs of financing paid	(24.1)	(12.5)
Income tax paid	(8.6)	(11.9)
Operating activities	8.2	158.2
Investing activities	99.9	(63.8)
Net repayments of borrowings	(40.0)	(83.0)
Dividends paid to shareholders	(26.8)	(28.7)
Financing activities	(86.6)	(136.7)
Net increase/(decrease) in cash and cash equivalents	21.5	(42.3)

- Operating cash flow impacted by lower EBITDA in the bulk business, and higher inventory costs due to inflation
- Interest costs have nearly doubled in FY2023 compared to prior year; will remain elevated in FY2024
- Positive cash flow from investing activities primarily related to Port Melbourne and Vitasoy JV transactions



Balance Sheet

	FY2023 \$m	FY2022 \$m
Cash	66.4	44.9
Trade and other receivables	306.1	274.7
Inventories	428.7	317.6
Property, plant and equipment	687.2	844.0
Right of use assets	161.4	109.9
Intangible assets	464.5	588.1
Total Assets	2,153.1	2,358.8
Trade and other payables	510.0	449.2
Borrowing (net of costs)	269.0	308.5
Lease liabilities	180.9	114.3
Total Liabilities	1,149.4	1,096.4
Net Assets	1,003.7	1,262.4
Net Debt	(203.6)	(265.1)

- FY2O23 decrease in Property, Plant and Equipment and corresponding increase in Lease Liability reflect the Sale and Leaseback transaction of the Port Melbourne site
- Part of the reduction in PP&E and intangibles reflects the bulk business asset impairment announced June 2023
- Value of inventory primarily driven by cost inflation and farmgate milk prices
- Trade Receivables reflect the higher sales in FY2O23 (13% normalised growth, 12% on statutory basis)



Where We Are Today

- Iconic leading brands
- Integrated manufacturing and processing infrastructure
- Agile response to changing markets
- Strong strategic positioning
- Both branded acquisitions ahead of business case
- Opportunities for further branded pricing and innovation, efficiency programs and margin improvement
- Brands contribution will continue momentum in FY2024
- Challenges remain in commodity markets impacting 1H FY2O24
- FY2024 Normalised EBITDA of \$160m to \$170m





Looking Forward

- Creating value for our shareholders
- Implementing new five-year strategic plan (FY2023 FY2028)
- EBITDA target \$250m plus, ROFE 10% or greater within that timeframe
- Revenue and growth primarily driven by the branded business
- Less exposed to milk volume farm gate milk price volatility
- Restructured commodity business supporting branded growth and responding to opportunities
- People, capability and investment aligned to strategic priorities





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Barry Irvin
Executive Chairman

Questions?

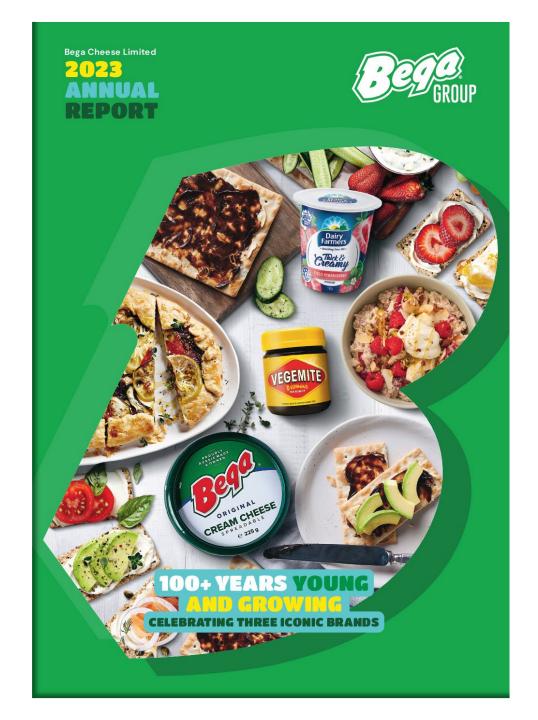






FY2023 Annual General Meeting Formalities and Voting

24 October 2023



Voting Procedure

- A poll is being held for all resolutions
- Share registrar Mr Nick O'Hagan of Link Market Services 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 2023
- Election of Directors
 - Terry O'Brien
 - Peter Margin
- Modifications to Constitution





Remuneration Report

- Pages 39 to 52 of the 2023 Annual Report
- Board, Executive Chairman, CEO and other key management personnel
- Market data and external advisors

Proxy Votes

•	Total Votes	147,182,961 ((48.33%)



Election of Directors

Terry O'Brien

Proxy votes

• Total Votes 149,460,411 (49.08%)

• For 119,789,245 (80.15%)

• Open 1,720,034 (1.15%)

• Against 27,951,132 (18.70%)





Election of Directors

Peter Margin

Proxy votes

• Total Votes 149,453,035 (49.08%)

• For 146,273,261 (97.87%)

• Open 1,719,907 (1.15%)

• Against 1,459,867 (0.98%)





Modifications to Constitution

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.

Proxy votes

•	Total Votes	149,341,651	(49.04%)
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•	For	146,417,703	(98.04%)
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creating great food for a better future

Disclaimer

This presentation contains a summary of information about Bega Cheese Limited ACN 008 358 503 (BGA) and its subsidiaries (Bega Group). The information does not purport to be complete and should be read in conjunction with other BGA ASX announcements.

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