



Investor Presentation

1H FY25 Results
19 March 2025

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Agenda

Company overview

1H FY25 Highlights

Financial Review

Operational Overview

Strategy and Outlook



About Clover Corporation

We develop and produce encapsulated bioactive ingredients, specialising in high-value nutritional oils for infant formula, medical foods, and functional foods.

We deliver high-value nutritional solutions that enhance product stability, bioavailability, and health benefits.

Encapsulated ingredients: Advanced microencapsulation technology that improves the stability and effectiveness of omega-3 DHA and other bioactives. Supplying global infant formula, medical nutrition, and functional food manufacturers.

Nutritional innovation: Cutting-edge research and development driving new applications in pharmaceuticals, medical nutrition, and functional health products. Expanding into emerging markets with proprietary technology.



60
Employees



7
Global sales offices *



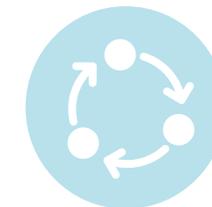
21
Products *



4
Manufacturing locations



165
Customers *



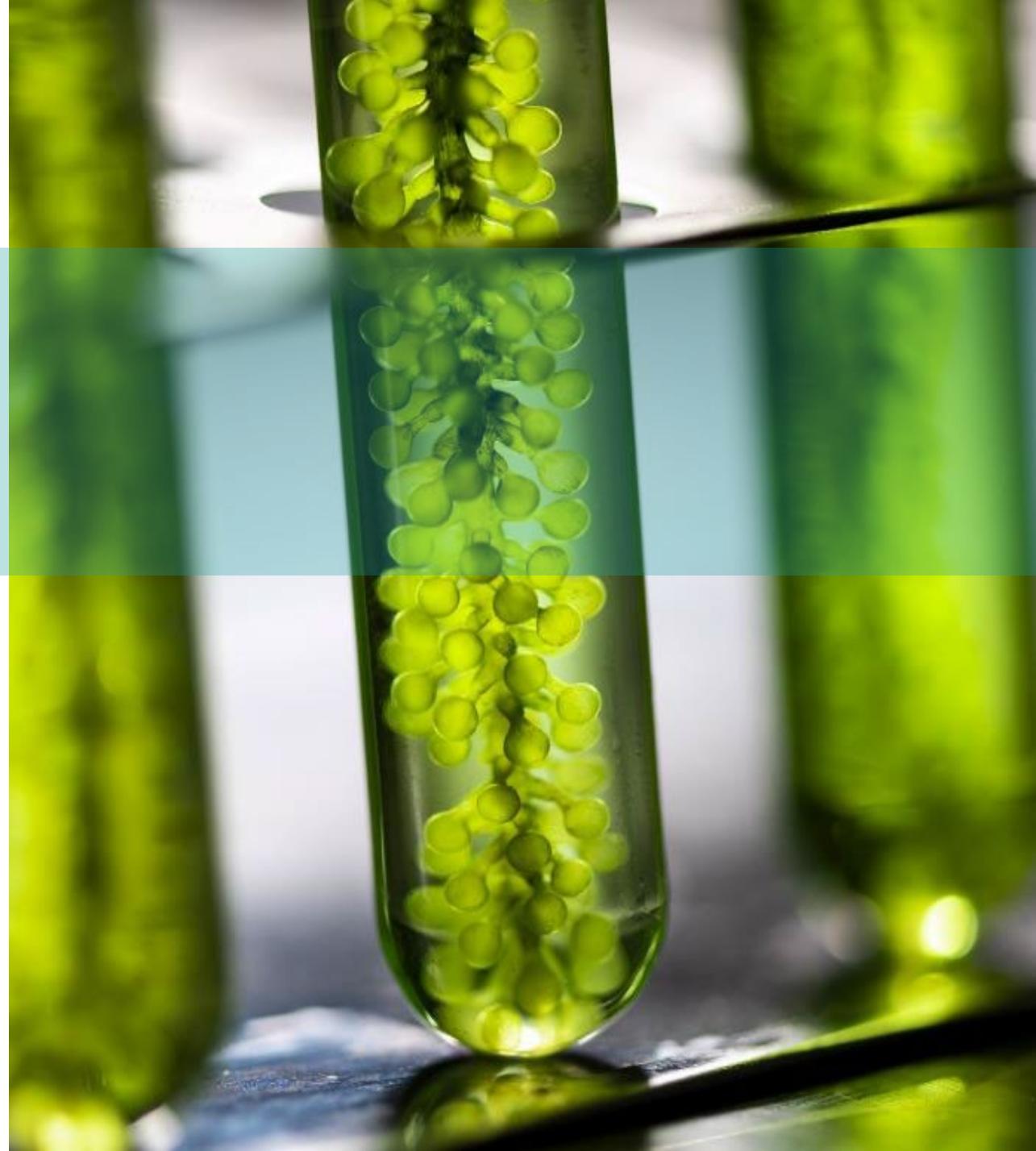
40
Countries Serviced *

* Serviced 1st Half FY25

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1H FY25 Highlights



Half Year Financial Highlights

\$37.6m

Revenue up **38%**

\$4.3m

EBITDA up \$4.0m

\$2.4m

NPAT up **\$3.0m**

\$33.2m

Working capital
down \$4.9m

\$15.4m

Cash

\$0.75c

Interim fully franked
dividend per share



Revenue in line with guidance, up 38% on 1H FY24 \$27.3M. Gross margin improvement 200bp



EBITDA growth underpinned by sales growth and gross margin improvement from customer / product mix and , manufacturing performance



Working capital reduced by \$4.9m on FY24 including inventory down 12.9%



Balance sheet remains strong with \$15.4m cash



NPAT of \$2.4m improved by sales growth and mix of new products

Half Year Operational Highlights

- A recovery of both IF and other business across Europe and ANZ
- New products continue to diversify the business
- Customer engagement remains a key focus with recovery of diversified sales in Infant Formula and food segments
- Improved operational performance aligned with customer demand
- Appointment of distributors across North America, Asia and Europe improves access to market
- Ecuador – crude oil deliveries commenced November 2024
- Melody Dairies improved performance

First & Second Half Performances

FY23

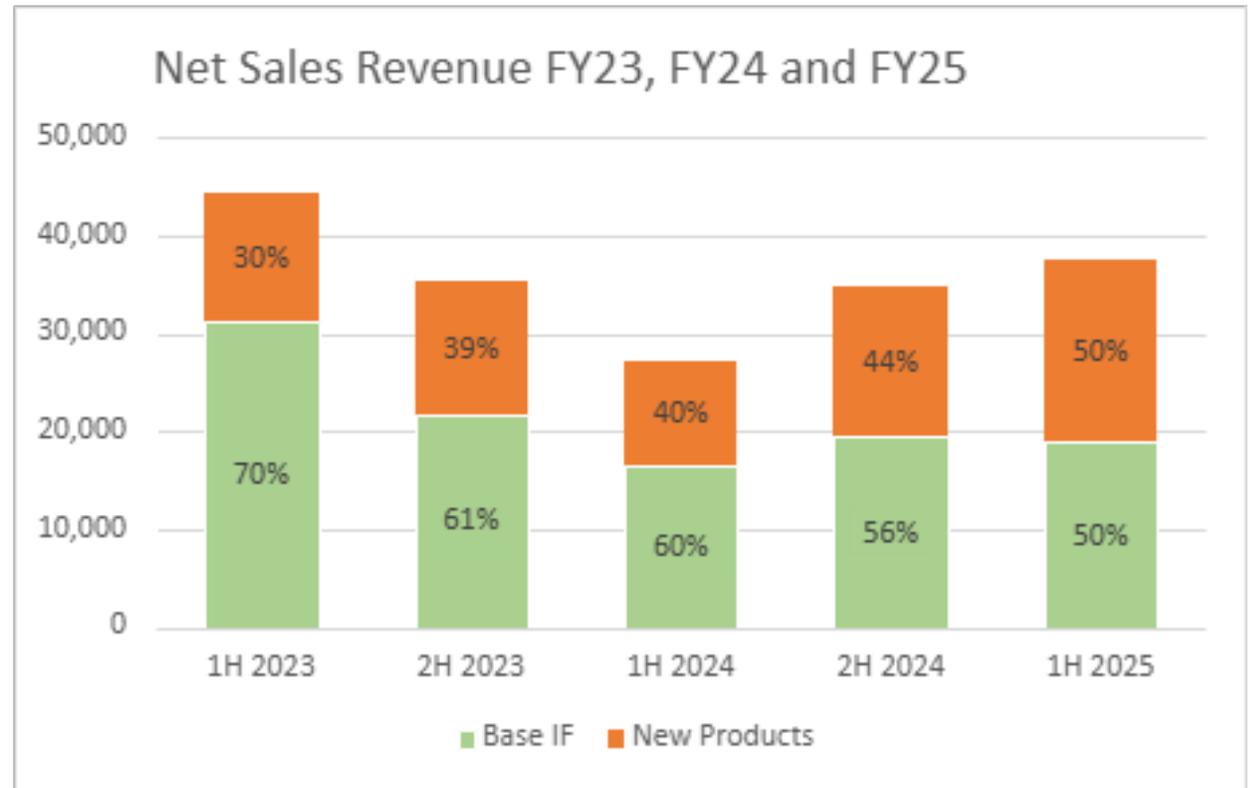
- 1H Driven by **stock build** ahead of China licensing which came into effect Feb 23
- 2H Demand reduced following stock build and **introduction of China GB license**

FY24

- 1H **Market demand fell** – high inventory and ongoing low birth rates
- China moved **to algal powders v tuna**
- 2H **Excess inventory exited** with improving demand

FY25

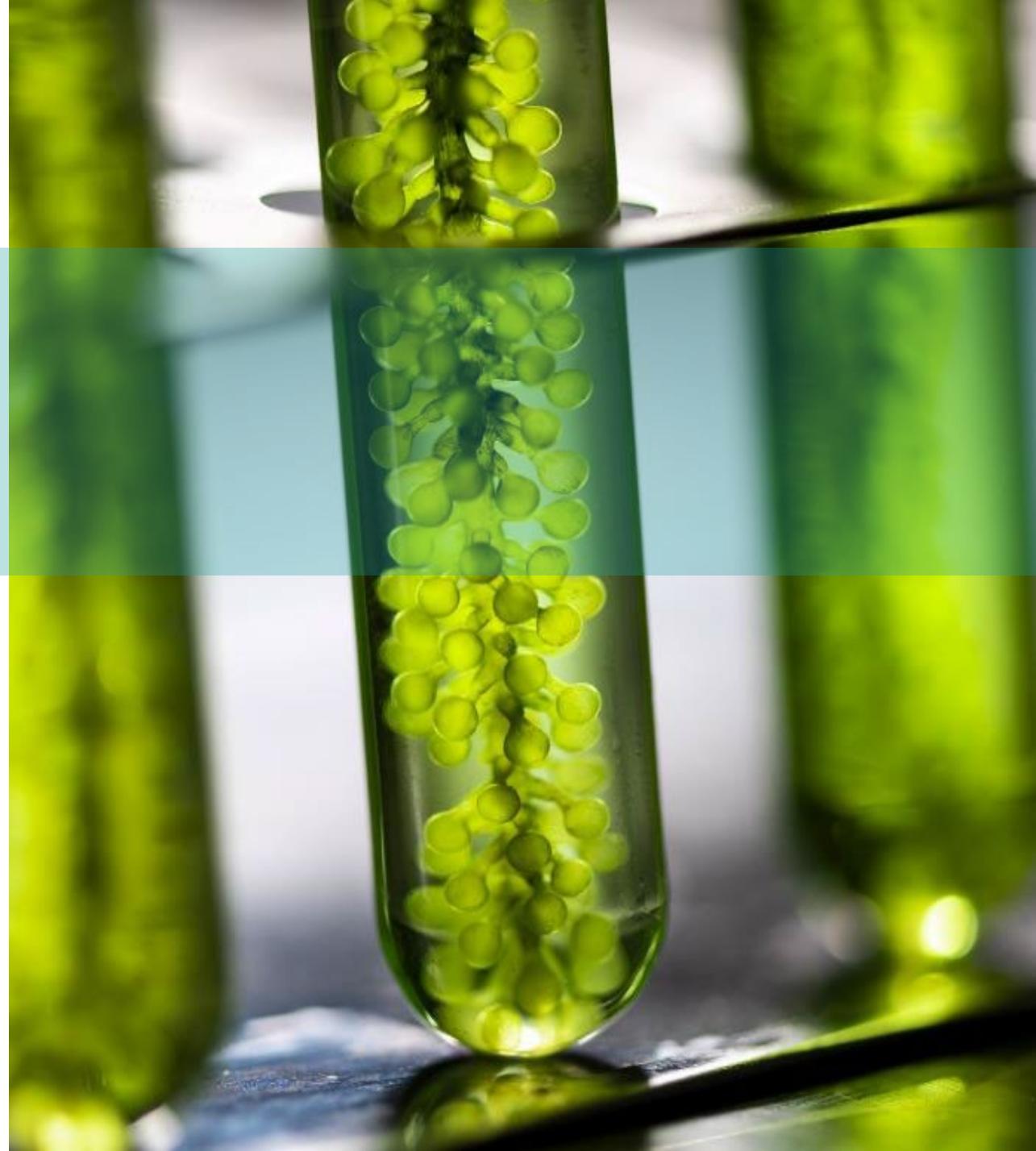
- 1H **Market demand** – Western Manufacturers increased market share
- New products to infant formula and other customers are driving sales growth



Positive sales growth continues

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Financial Review



Profit and Loss 1H 2025

AUD Million	1H 2025	1H 2024	Change
Revenue (\$m)	\$37.6	\$27.3	+38%
EBITDA (\$m)	\$4.3	\$0.3	+\$4.0m
NPAT (\$m)	\$2.4	(\$0.6)	+\$3.0m
EPS (cps)	1.4	(0.4)	+1.8 cps
ROE (%) (annualised)	3.5%	(1.0%)	+450 bps

- Revenue up 38% following a significant recovery across Europe and ANZ
- Gross margin improvement underpinned by customer /product mix and manufacturing performance
- Overall operating cost well managed with a return to market development in the period
- NPAT result **\$2.4m** (1H FY24 \$0.6m loss)
- The weaker AUD:USD position has had a favourable impact on converting USD Cash and Receivables on the YTD result

Cashflow statement 1H 2025

Cash flow	1H 2025	1H 2024
Receipts from customers	37,461	25,931
Payments to suppliers and employees	(27,847)	(26,616)
Interest paid	(148)	(481)
Income tax paid	(640)	(1,893)
Net cash outflow from operating activities	8,826	(3,059)
Purchases of plant and equipment	(445)	(943)
Investment in Associates	-	(57)
Net cash outflow from investing activities	(445)	(1,000)
Dividends paid	(1,252)	(1,253)
Principal payments of lease liabilities	(248)	(188)
Repayment of interest-bearing liabilities	(3,761)	(885)
Loan Drawdown	-	5,000
Net cash outflow from financing activities	(5,261)	2,674
Cash at the end of the period	15,379	8,052

- Significant growth in operating cashflow driven by a strong rebound in sales, improvement in gross margins, well managed operating expenses and working capital management
- Ecuador debt funded with residual investment in 1H 2025
- Lower interest costs reflecting ongoing debt repayment



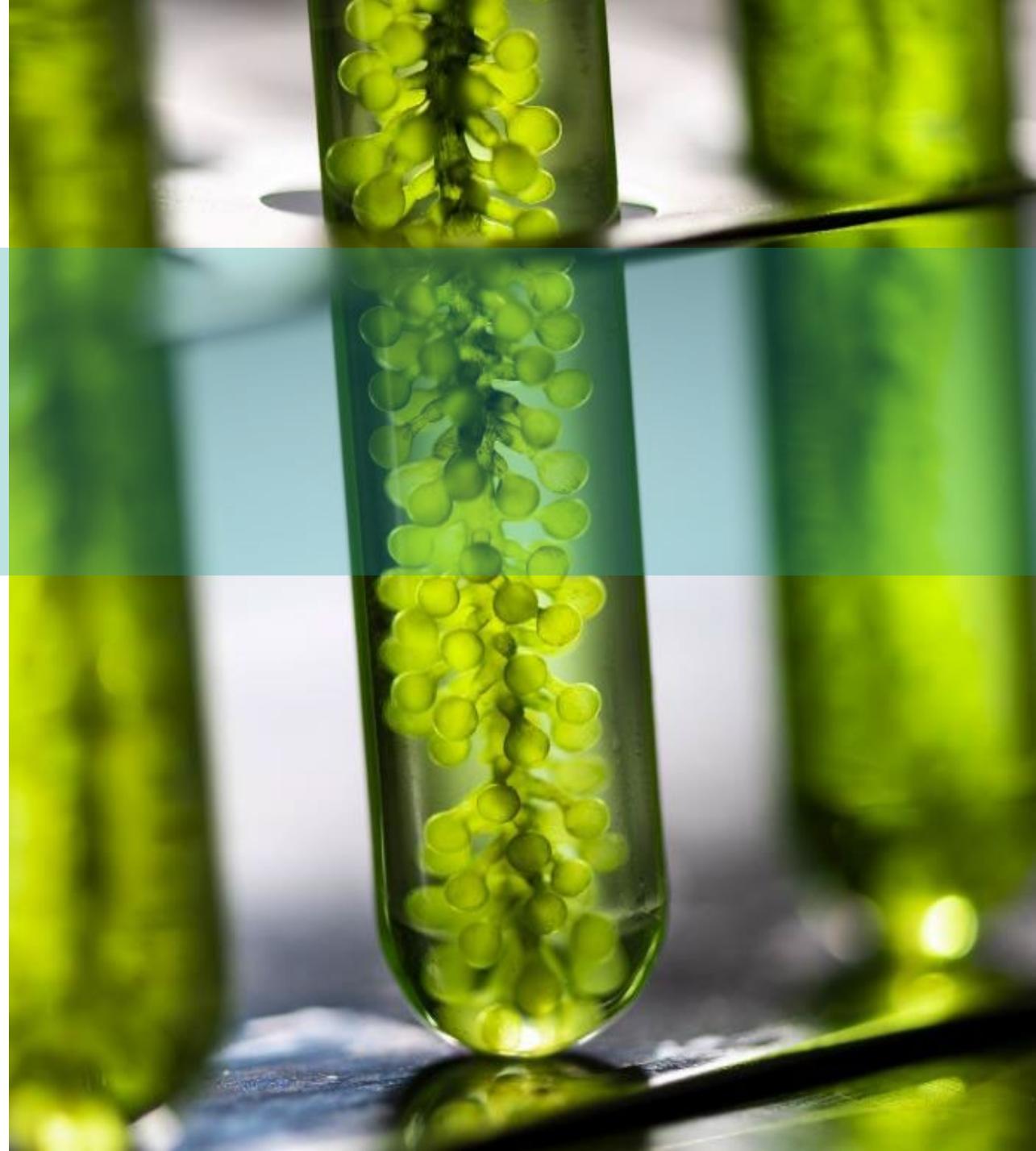
Balance Sheet 31st January 2025

AUD	1H 2025	1H 2024	Change (\$M)
Cash	15.4	8.1	7.3
Trade Receivables	14.1	13.1	1.0
Inventories	23.8	34.0	(10.2)
Total Current Assets	53.9	56.2	(2.3)
Fixed Assets	27.5	28.7	(1.2)
Total Assets	81.4	84.9	(3.5)
Trade Payables	(4.6)	(1.7)	2.9
Current Borrowings	(2.2)	(3.4)	(1.2)
Total Current Liabilities	(9.3)	(6.5)	2.8
Non-Current Borrowings	(2.1)	(10.2)	(8.1)
Total Liabilities	(13.5)	(19.6)	(6.1)
Net Assets	67.9	65.3	2.6

- USD cash holdings, reduction in overdue accounts and lower inventory supporting the strong **cash** position
- Lower **inventory** with strong demand and supply chain management of powder and crude oil stocks
- **Debt** reduced

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Operational Overview





Melody Dairies - New Zealand

- The new management team is delivering high-quality products with improved plant utilisation and efficiency
- Increased demand from Clover, in conjunction with its other major shareholder, is ensuring take or pay obligations are met
- The cost of production continues to lower with increased volume
- Clover recognised its share of the initial loss in the 1st quarter (maintenance month) with the business trading at targeted breakeven since



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Ecuador

- Volume of crude **fish oil** extracted from Tuna heads is growing
- Shipments commenced November 2024
 - ✓ Excellent yield & quality
 - ✓ Resourcing of the facility completed
 - ✓ Cost effective sourcing which will deliver benefits in 2H FY25



DHA Growth

- Product diversification into **non-allergenic, higher fortification levels** and **plant-based** powders are allowing Clover to deliver new solutions to our customers providing revenue growth
- Despite a subdued global infant formula market, we have seen a recovery of business across Europe and ANZ and are benefiting from an uplift in online sales and strengthening demand from our western manufacturing customer's
- **Customer DHA diversification** with **growth** opportunities in **Petfood, nutraceuticals, sports nutrition** and **adult nutrition** (senior's drinks)



New Products Driving Growth

Highly concentrated oils

- Sales of powdered **High Omega 3** in nutraceuticals, petfood and Food for Special Medical Purposes continues to gain traction

Gelphorm

- A unique **double emulsion DHA** product that can pass through the UHT process and provides **no sensory issues** in drinks
- A major USA brand has incorporated Gelphorm into its **UHT product**. **Trials continue** with other UHT customers in the **USA, Asia and Europe**
- **Next generation development** with higher concentrated DHA is delivering benefits to customers



CholineXcel

- CholineXcel is a unique flowable powder
- Clover completed further production trials in December 2024, manufacturing at commercial quantities
- Product will be on show in May at Vita Foods Europe
- Samples have been presented to selected customers
- 2H continued production trials inclusive of packaging formats at scale
- Customer product trials are expected to commence Q1 FY26.

Probiotics

- Probiotics are live organisms which quickly die when unfrozen (the normal delivery method)
- Ongoing development and evaluation of manufacturing processes to extend bioactive shelf life for our customers



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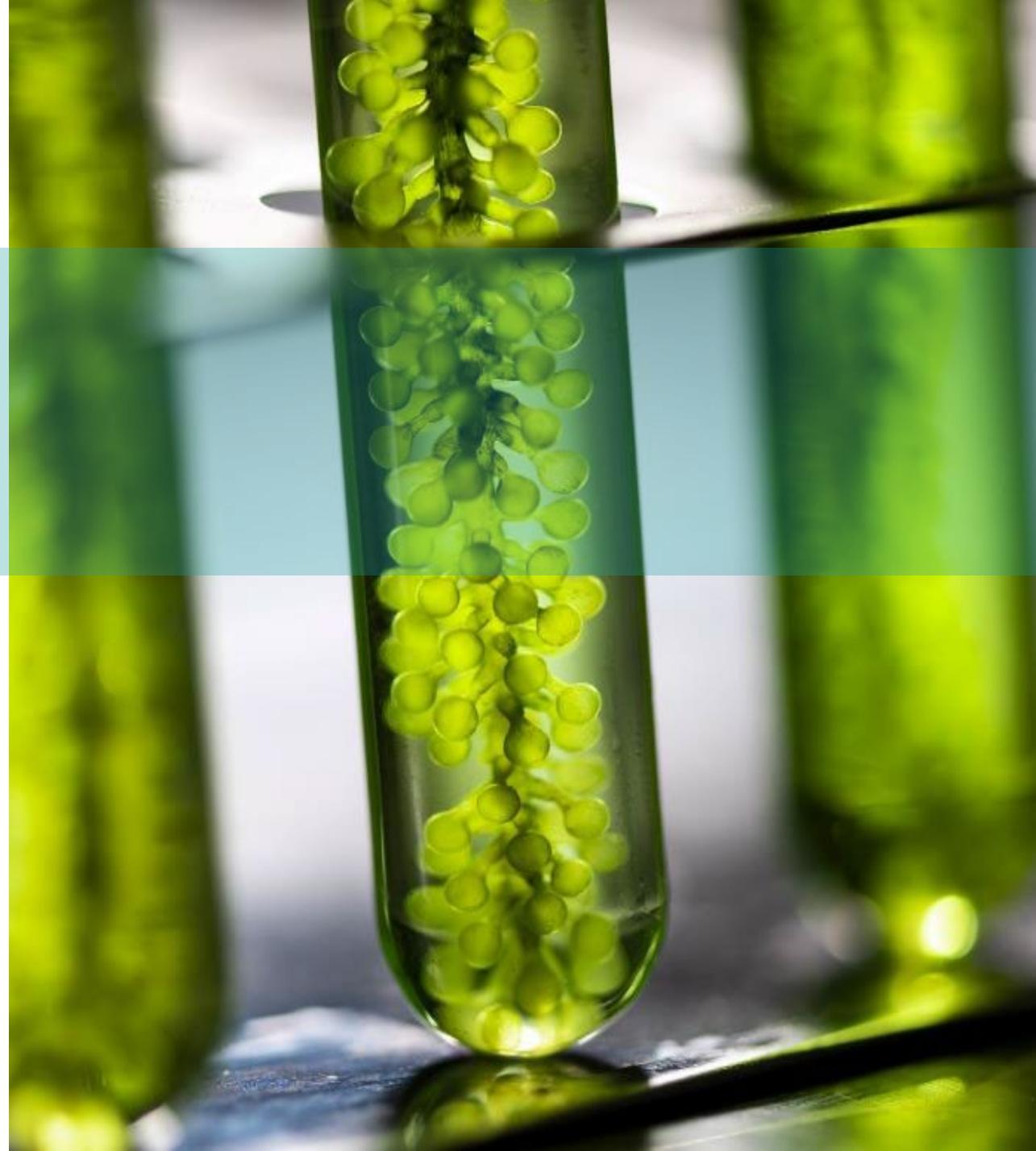
Premneo

- Clover's **unique DHA emulsion** is clinically proven to increase the **IQ of preterm infants**
- Clinical review by experts is **ongoing** and we have received the results of a published independent clinical review 1H FY25
- Clover remains confident the conclusions of the independent clinical review will pave the way for **regulatory approvals**
- Discussions with **potential partners** have recommenced following the need for an independent clinical review
- Negotiations are underway with potential manufacturers in India



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Strategy & Outlook



Strategic focus

Operations & supply chain efficiencies

- Integration of the **Ecuador facility** into the **supply chain** for strategic and gross margin benefits continues
- Optimisation and use of **Melody Dairies** to generate a **lower cost of manufacture** supporting customer requirements

Innovation & business growth

- Appointment of **new distributors** to support our sales team in **reach** and **diversification** of our segment and customer base
- Customer engagement in using the free-flowing **Choline powder** from **trial phases to shelf-life testing to commercial sales**
- Achieve **regulatory approval for Premneo** in ANZ & EU, align with packaging and distribution partners
- **Diversification** remains a core focus with our powders being used in the **nutraceutical markets** in addition to major long-term projects including **Gelphorm** and **Premneo** providing a channel for **growth outside the infant formula market**. At the same time, the ability to extend our offering with existing infant formula customers using our unique powdered **Choline** product is exciting

FY25 Outlook

The Board expects the momentum of 1H FY25 to continue with a stronger 2H assuming current forecast demand and the global conditions prevail.

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Q&A

