



ASX ANNOUNCEMENT

Bega Group continues with site optimisation and consolidation Strathmerton to transition to Ridge Street

Following an extensive review, Bega Cheese Limited (Bega Group) (ASX : BGA) has today announced the consolidation of its Strathmerton cheese processing and packaging operations into its existing site at Ridge Street, Bega. A phased closure of the Strathmerton site is expected to be completed by mid-2026.

Bega Group CEO, Pete Findlay, said today: "As the business maintains its focus on delivering productivity improvement and growth, we continue to look at opportunities to simplify our operational footprint and invest for the future ensuring we maintain globally competitive infrastructure."

The consolidation of sites is expected to deliver \$30 million per annum of cost savings by eliminating duplication and reducing fixed cost once the integration is complete. A capital investment of approximately \$50 million will be required at Ridge Street, Bega, to ensure it has the necessary capability and capacity for the combined operations. The project will be funded within Bega Group's normal capital expenditure program. A non-cash impairment of \$30-\$40 million is expected in relation to the Strathmerton assets (including buildings, plant and equipment and other assets), along with one-off cash costs of \$30-\$40 million that predominately relate to redundancies for impacted Strathmerton employees and associated group roles. After full implementation, Earnings Per Share improvement of 2 cents per share is anticipated.

The Bega Valley is the home of the Bega Group, which has a rich heritage in the area. Investing in the Ridge Street site enables the Bega Group to enhance capability and modernise its cheese processing and packing operations. It is expected to create approximately 100 jobs in the Bega Valley.

Bega Group is working closely with the approximately 300 employees at Strathmerton whose roles are impacted by this change and will be supporting them through this transition.

"We are very aware of the impact of this decision, and we are doing our best to manage this transition with care and respect for our Strathmerton employees and the local community. This will be a phased closure, with the Strathmerton site continuing to operate until mid-2026, which will enable many of the impacted employees to have ongoing employment during this time. Where possible, we will offer re-deployment to employees and continue to support them through this period", Pete Findlay said.

Bega Group will continue to have a strong presence in Victoria, retaining five manufacturing facilities in the state, including Tatura, Morwell, Chelsea, Koroit and Port Melbourne, employing over 1,700 Victorians.

Customers can expect the same great quality and supply of cheese products during this transition and into the future.

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