

ASX Announcement

20 August 2025

Category growth and improving consumer sentiment help drive strong revenue growth

Lynch Group Holdings Limited (ASX:LGL) ('Lynch' or 'the Group'), Australia and China's leading vertically integrated wholesaler and grower of flowers and potted plants, releases its full year results for the twelve months ended 29 June 2025 (FY25).

FY25 Key Metrics:

- Group revenue of \$430.5m, up 8.2% on FY24, with pleasing growth in both China and Australia
- Australia revenue increased by 6.4% on FY24 driven by ongoing demand for supermarket floral products and supported by new sale or return (SOR) conversions and the launch of a new brand with a customer
- China revenue increased 18.3%, with strong growth in tulip and export volumes and moderate growth in roses. Event pricing across the second half was also strong
- Group EBITDA of \$43.2m ahead of guidance, up 9.1% on FY24, with Australia demonstrating stability and overall margin improvement of 20 basis points
- NPATA of \$10.2m, up 11.4% on FY24
- Final dividend for FY25 of 9.0 cents fully franked declared

Hugh Toll, Chief Executive Officer, commented: *"We were pleased with the Group's performance over the year with the second half seeing an improvement in consumer confidence and sales momentum across our markets. Australia floral demand continued to be positive, supported by a customer new brand launch and SOR store conversions. Further, China's improved sentiment is translating into a better sales dynamic and pricing across our channels to market, as evidenced by key events in the half."*

Supermarkets in Australia are increasingly being chosen by consumers for their floral purchases, with some way to go before they match the penetration of this category in other advanced economies. We saw positive customer reaction to the launch by one of our customers new brands and we had another successful campaign targeting the key events of Valentine's Day and Mother's Day.

China is stabilising with some green shoots appearing, reflected in strong event performances and improving average selling prices (ASP) in the second half of year.

Overall, this was a solid year for the business with revenue and EBITDA growth in both of our key markets."



Financial Overview

Group revenue growth was driven by Australian category growth, with consumers increasingly choosing supermarkets for their floral purchases, the successful launch of a new customer brand locally, and solid demand in China for tulips and roses.

Australian revenue growth was driven by a combination of a customer brand launch, product range initiatives, SOR store conversions and floral category growth, partly offset by weakness in the plants category.

China benefited from higher production volumes, improving tulip pricing and higher rose export volumes over the year.

Group EBITDA of \$43.2m was ahead of guidance and up 9.1% on FY24. Australian EBITDA was up 8.1% from range management and cost initiatives, with China up 12.7% from stable pricing and stronger tulip sales and exports.

NPATA of \$10.2m was up 11.4% on FY24. Cash conversion was 96%, in line with the seasonal unwind of working capital. The final dividend declared for FY25 was 9.0 cents fully franked.

Operational Overview

Australia

Revenue was up 6.4% on FY24, showing continued demand for supermarket floral products. Further, the launch of a new brand with a client and the expansion of the company's product range helped boost revenue and customer loyalty. The Group's SOR store network increased to 29% of the major customer store network served in Australia. EBITDA was up 8.1% on FY24 due to a strong second half and a combination of range management and disciplined cost control initiatives. The revenue and EBITDA figures include the impact of the Queensland cyclone during the second half of FY25.

The Group saw strong revenue during Valentine's Day and Mother's Day and benefited from the introduction of automated bouquet lines at two of its sites to support future growth and efficiency in its operations. The SAP system upgrade is well progressed with the project's first phase expected to complete within 1H FY26 with costs of circa \$1.6m.

China

In China, revenue grew 18.3% on FY24 from higher production volumes, improving tulip pricing and higher rose export volumes over the year. FY25 rose volumes and ASP were similar to FY24 levels, and we saw stronger improvement in tulip ASP across the Chinese winter. Export volumes to Australia were up strongly during a period of weaker domestic pricing in China.

A mix of higher tulip volumes and pricing, and stronger event pricing for roses in the second half supported a 12.7% increase in FY25 EBITDA. Operational execution and costs continued



to be well controlled with higher costs for tulip bulb production and energy costs experienced. One hectare (1ha) of additional land was developed to bring the total land developed to 85ha.

Outlook

Hugh Toll, Chief Executive Officer, commented: *"The Group is expecting continued positive revenue momentum in Australia underscored by consumer demand for supermarket floral products. For the first seven weeks of FY26 Australia revenue is up 5% on the same period in FY25.*

In China we are seeing a more reliable uptick in demand during key event windows and less consistent demand outside of those windows likely linked to the deflationary environment that parts of the China economy are currently experiencing. For the first seven weeks of FY26 China revenue is down 14% during a period which has experienced extreme rain and heat conditions across both Kunming and key consumer markets across China.

Looking ahead, the EBITDA margin rate for Australia is expected to be in line with FY25 and China's margin rate will be dependent on market conditions across winter and into the second half for key events."

Authorised for release by the Board of Lynch Group Holdings Limited

For further information please contact:

Lynch Group Holdings Limited
Hugh Toll
Chief Executive Officer
investorrelations@lynchgroup.com.au

Automic Group
Adrian Mulcahy
Investor Relations
adrian.mulcahy@automicgroup.com.au
+ 61 438 630 422

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About Lynch Group Holdings

Lynch Group is a vertically integrated value-added wholesaler and grower of flowers and potted plants with a strong market position in both the Australian and Chinese floral markets. It is the largest wholesaler of floral and potted products to Australian supermarkets and a leading grower of premium flowers with a developed wholesale distribution platform in China.