



Bega Cheese Limited Annual General Meeting

27 October 2025

Slide 1 - Cover

Slide 2 – Introduction

Welcome to the Bega Group Annual General Meeting, which is being recorded and webcast. As we have a quorum, I now declare the meeting open. When you registered this morning, you will have received an admittance card. For all shareholders and proxy holders who are voting, you should have received a yellow voting card. If you are a shareholder who is not voting you should have received a blue card. If you are a non-shareholder you will have received a red card.

Yellow cardholders will be able to vote for or against resolutions and ask any questions they wish relating to the business of the AGM.

Blue cardholders will be able to ask questions but not vote.

Red cardholders are most welcome at the meeting but will be unable to participate in the proceedings.

Further information regarding voting procedures will be provided prior to commencement of the resolutions to be put to the meeting.

Shareholders attending this meeting in person and online are able to ask questions. For those shareholders attending in person, I would ask that you identify yourself before asking a question. For those shareholders attending online please follow the process contained in the Online Guide, the Company Secretary, Brett Kelly will then read out your question.

Slide 3 – Agenda

At today's meeting, we have a number of formalities to deal with, including the consideration of the Group's 2025 Annual Report, the adoption of the Remuneration Report and the election of Directors.

Slide 4 – Welcome

I am pleased to welcome new shareholders and our long-term shareholders who know the company so well and have supported the strategy and Directors of the company over many years.

Let me introduce my fellow Directors; Patria Mann, Peter Margin, Terry O'Brien, Harper Kilpatrick, Rick Cross, Raelene Murphy and Janette Kendall.

I am also pleased to welcome Sam Lobley representing our auditors PricewaterhouseCoopers, Julie Stokes from MUFG Corporate Markets (AU) Limited and a number of Bega Group staff.

I have received apologies from...

We will now move on with the formal part of the meeting.

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Slide 5 – Our transformation

Good morning and thank you all for joining us at our Annual General Meeting.

It is truly inspiring to witness a business vision evolve into a tangible reality a testament to the dedication and hard work invested over many years. For our long-standing shareholders, you will no doubt recognise the transformation we have undergone.

Over the last decade the company has transitioned from a traditional business-to-business model, heavily exposed to commodities, into a brand-focused organisation. We have embraced value-adding, built an efficient supply chain, and extended our reach to consumers both here in Australia and internationally.

A pivotal moment in our development was the acquisition of Vegemite an iconic brand that laid the foundation for our transformation. This milestone enabled us to further strengthen our business through the acquisition of Lion Dairy & Drinks. These strategic moves have given us the platform to innovate, launch new products, and respond with agility to evolving consumer needs and market dynamics.

We have built robust infrastructure and capabilities that position us strongly for the future. Our innovation pipeline and product development efforts are thriving. As discussions around productivity increasingly centre on technology and scale, we are proud of the progress we are making. Our international opportunities remain promising, and our sophisticated approach to global sourcing continues to reinforce our long-term growth.

Slide 6 – Key messages

We are very pleased with the normalised earnings result for FY2025. This outcome reflects our unwavering focus on executing our strategic plan and the key initiatives we outlined to the market several years ago.

As we remain committed to that plan, we continue to see significant opportunities ahead both in terms of growth and in driving productivity and efficiency. It is encouraging to see our strategy translating into performance, with a healthy balance of expansion and operational improvements.

This past year has been one of substantial change. We have implemented major initiatives that will deliver significant benefit in FY2027. These include the announced closures of our Strathmerton site and the Peanut Company of Australia (PCA), which will deliver meaningful bottom-line improvements and drive efficiencies across the Group.

Our branded performance has been another key highlight, driven by a strong focus on category innovation. In a year marked by constrained consumer sentiment, the team's ability to innovate was instrumental in driving growth.

Looking ahead to FY2026 and FY2027, we are excited about volume growth in white milk, yoghurt, and spreads, as well as the launch of our high-protein, "better-for-you" products in milk-based beverages and yoghurt. These offerings align with growing consumer demand for functional and health-focused dairy products.



Our strategic plan has been bold in its approach. We have maintained focus on core grocery while also pursuing accelerated growth in our food service and international branded businesses. I am pleased to report that we have achieved strong results in both areas.

Despite challenges in Australia's out-of-home market, we have outpaced market growth by gaining share, refining our offerings, and pursuing new accounts.

Efficiency improvements across our network have been another area of success. By focusing on line utilisation, waste reduction, and overtime management, we have extracted meaningful savings even in a year where topline growth was limited. There is still room to grow in this area, and we will continue to optimise our footprint moving forward.

Our bulk business has rebounded from the lows of 2024, thanks to a better alignment between farm gate milk pricing and commodity pricing, as well as the team's hard work in reducing costs and seeking premiums in our commodity sales mix. We are transitioning toward higher-value protein offerings and focusing on high-return fat streams, with increased capacity, particularly in cream cheese.

We are now operating within the normalised earnings range for our bulk segment outlined in our five-year strategy, supported by a strong \$30 million to \$40 million EBITDA.

Slide 7 – Performance highlights

In reviewing our financial performance for FY2025 it is notable that there is a significant difference between our normalised and statutory results, this is primarily driven by the significant announcements that we have made regarding the closures of the Strathmerton and PCA sites. These announcements meant that there were some asset write-offs for the facilities no longer in use, along with substantial restructuring costs. We feel strongly about taking this decisive step, given the material impact it will have, particularly in FY2027 and beyond. These actions position us to be a stronger business moving forward.

Our normalised earnings showed strong year-on-year growth and demonstrate strong progress in achieving our long-term goals. Financial outcomes include a significant improvement in profit after tax and a lift in earnings per share.

We remain focused on driving margin across the business. This includes growth and premiumisation within our branded portfolio, as well as improving the underlying stability of our bulk operations. While branded margins may appear modest, it's important to note that this was achieved in a year when the chilled dairy cabinet declined in value by nearly 2%. Given those circumstances we are pleased with the result.

Net debt was reduced to \$126 million, which saw our leverage ratio reduce to 0.8x. To perhaps add perspective, it is notable that the leverage ratio for the business some 5 years ago was approximately 3.5x. The team has done a tremendous job in reducing that ratio following some significant acquisitions in that period.

A strong balance sheet position us well for future growth, whether it be organic or by acquisition and we are very positive about the opportunities ahead.



Return on funds employed remains a key focus. We are constantly thinking about how we can do more with less and how we can work our assets harder. This mindset underpins our site optimisation strategy and our daily efforts to improve line utilisation and working capital efficiency.

In summary we are pleased with our financial performance for FY2025 and the strong foundations they provide for the next phase of our development.

Slide 8 – Pete Findlay introduction

Slide 9 – Strategy 2028 priorities

I won't dwell on our strategic priorities for FY2028 for too long as I am sure many of you are familiar with this slide. Clearly what we endeavour to reflect is a focus on our traditional strengths while also responding with agility to the opportunities we have identified as we look to build to FY2028 and beyond.

Slide 10 – FY2025 Operational highlights

Moving to operational highlights, I will expand on some of the key areas driving our momentum.

Innovation & New Product Launches

Coming out of COVID, we experienced nearly five years of stagnation in innovation largely due to navigating the pandemic and absorbing significant cost pressures. Like many consumer goods companies globally, growth was challenging. But we have now shifted to a growth platform, and product innovation is central to that strategy.

We are focused on launching products that meet evolving consumer needs, balancing functionality, affordability, and value.

Milk-Based Beverages & Protein

We are particularly pleased with the early success of our protein-focused milk-based beverages, which gained traction in the second half of the year. This category is shaping up to be a strong growth platform through FY2026 and FY2027, as we continue to expand our "better-for-you" offerings.

Peanut Butter Innovation

After several years, we have reignited innovation in peanut butter with the launch of a whipped product designed to suit more consumption occasions. In the coming months, we will unveil further innovations aimed at tapping into the treat segment, the fastest-growing part of the category.

Yoghurt as a Functional Health Platform

Yoghurt continues to demonstrate wonderful growth potential. It is an ideal vehicle for protein and we are excited to have announce an extended protein offering in recent months. This will further accelerate our growth trajectory in this space.

We also launched our "gut good" yoghurt, slightly ahead of the curve but aligned with emerging trends in Europe and the US. These products support both physical and mental performance and we are confident they will gain traction with the consumer over time.

Treats & Brand Engagement

We have also looked to bring fun back into some of our categories with our treat rotations, including a standout collaboration with Mars in the flavoured milk segment.



Given the level of activity in terms of new product development and brand innovation we have ensured to put the appropriate support behind our brands with an increased investment of over \$8 million year-on-year to strengthen our share of voice and maintain visibility at shelf. We believe this investment will pay dividends through FY2026 and beyond.

Bulk Segment Recovery

Our bulk segment has continued its recovery, thanks to the strategic groundwork laid in prior years. We focused on selling higher-value products, particularly milk protein concentrates, which performed strongly. Our cream cheese capacity expansion in 2023 proved timely, driving higher returns in 2025.

The cream cheese capacity expansion also benefited our branded business, especially internationally and will be a key growth driver moving forward.

Slide 11 – FY2025 Operational highlights... continued

I will continue to focus on operational highlight a little longer as they demonstrate well the strengths of our business.

Site Rationalisation & Strategic Investments

We made the strategic decision to divest our Leeton orange juice manufacturing site, which was successfully sold to another processor in FY2025. Through a supply agreement with that processor, we now benefit from a lower cost per unit across our juice portfolio.

Major structural changes announced in the year include the consolidation of our Strathmerton operations into Ridge Street, Bega which is expected to deliver a \$30 million earnings uplift in FY2027. Additionally, the closure of our two PCA sites will reduce cost pressures on our spreads business by approximately \$5–10 million annually.

These are complex, high-impact projects with many moving parts. As part of the Strathmerton consolidation, we are investing \$50 million into our Ridge Street, Bega site, which will absorb the same capabilities while increasing volume at a significantly lower cost per unit. This reflects our ongoing commitment to doing more with less.

Despite these structural shifts, we have continued to grow output across FY2025 and expect further volume increases in FY2026 and FY2027.

Distribution & Automation Enhancements

We are also optimising our chilled distribution network. A key milestone is our automation project at Laverton Melbourne, our largest distribution site and the central hub for yoghurt distribution nationwide. The project is in its final stage of implementation, and we expect it to be complete in the second half of FY2026 and we are already successfully loading and unloading full pallets using automated equipment. With the concept proven, we are now focused on scaling.

Cost to Serve Improvements

We made significant progress on our Cost to Serve initiative in FY2025. Much of this was enabled by our new digital portal for food service customers, which improved communication around minimum order values and enhanced drop optimisation. We continue to streamline our logistics and depot networks, driving better utilisation and cost efficiency.



Domestic Food Service Relaunch

Our domestic food service team delivered a successful relaunch of our range, attracting a wave of new customers and we are very encouraged by the results we are achieving.

International Expansion

Our international branded business continues to perform strongly. We have expanded our teams and on-the-ground presence in Singapore, Thailand, and Dubai. These investments are yielding results both through direct-to-customer channels and by increasing distributor accountability and effectiveness. We are seeing strong traction in these markets.

Slide 12 – Consumer Trends

We continue to believe that our portfolio and activation priorities align exceptionally well with current future consumer trends particularly in the area of gut health, everyday performance, treat and reward, weight wellness and health in mind.

Slide 13 – Market leading brands in growth categories

I won't dwell on this slide, but I do want to emphasise that we continue to hold strong positions across all our key categories. This strength enables us to consistently bring innovation to market while also driving tangible benefits back into our manufacturing and logistics networks. It is helping us operate at scale, unlock efficiencies, and maintain momentum across the business.

Slide 14 – Portfolio growth through trend framework

In line with the consumer trends we mentioned earlier, we are proud of the strong innovations we launched last year. Bringing protein offerings to market in our largest national milk-based beverages and yoghurt brands helps reinforce Bega Group's category leadership and importantly we stepped up our marketing investment to increase consumer awareness of these new products. Lactose-free milk also delivers on health preferences for some consumers and continues to launch in new states and customers coupled with a strong distribution expansion program.

Slide 15 – Manufacturing network

It is important to acknowledge the significant transformation of our manufacturing network over the past few years.

Following the acquisition of Betta Milk in Tasmania, we made the strategic decision to close two legacy sites and consolidate them into our Lenah Valley facility in Hobart, we have closed our Canberra site and more recently we announced the closure of our Strathmerton cheese packing and processing site and two PCA sites.

Despite these structural changes, our business has continued to grow, volume has increased over this period. What we have built is a more consolidated and efficient footprint that enables us to make important decisions around automation and capital allocation. This positions us strongly for future competitiveness, both domestically and internationally.

We are pleased with how the network is evolving and remain committed to ongoing optimisation as we move forward.

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Slide 16 – Farm gate milk price and commodity returns

Moving to farm gate milk price, it is important to highlight the realignment we have seen between farm gate milk pricing and commodity pricing. I'm particularly pleased with our competitiveness at the farm gate both last year and this year, even in an environment where milk production has declined slightly, we have successfully increased our milk acquisition. That is a direct result of the dedication and hard work of our farm services team and our ability to offer a highly competitive farm gate milk price while still delivering strong returns. It is a testament to the strength of our relationships and the efficiency of our model and we are very proud of that achievement.

Slide 17 – Sustainability: Great food for a better future

In FY2025 we have relaunched our sustainability strategy which is outlined in our recently released sustainability report. The refreshed strategy is anchored around three core pillars: **circularity**, **community**, and **collaboration**.

These focus areas reflect our ongoing commitment to creating long-term value, not just for our business, but for the environment and the communities we serve. I want to reaffirm that we remain fully committed to the pledges and initiatives we have announced over the past few years, and we are proud of the progress we continue to make.

Slide 18 – Financial key messages

It has been just two years since we unveiled our five-year strategic plan where we set ambitious targets to exceed \$250 million in EBITDA by FY2028 and to lift our return on funds employed from approximately 4% to over 10%.

I am pleased to report that we are more than on track to achieve those objectives. Normalised EBITDA has risen from \$160 million to over \$200 million, with the most significant uplift occurring in FY2025.

While there are many important aspects of our financial performance it is important to comment that we are not solely focused on earnings growth, it is also about disciplined capital management. That includes selling non-strategic assets to reallocate capital more effectively. The sale of the Leeton site in the first half was a prime example, as was the divestment of some of our warehouses. Over the past five years, Bega Group has sold nearly 25% of its warehouses and cool rooms nationwide.

As outlined earlier, these initiatives along with our manufacturing footprint optimisation have left us with a more focused logistics network. This allows us to invest in the right ranges and infrastructure, ensuring our footprint is lean, strategic and future-ready.

Slide 19 – Profit and loss

Capital Expenditure (CapEx)

In FY2025 we invested \$94.4 million in Capital Expenditure with the Laverton automation project being the most significant.

Depreciation & Amortisation

Depreciation and amortisation for FY2026 is projected to be approximately \$92 to 93 million, which aligns closely with our Capital Expenditure profile.



Slide 20 – Key performance measure

I won't dwell on this slide, but it is worth noting that we have achieved an 8.4% Return on Funds Employed (ROFE) representing a substantial uplift compared to the prior year. Looking ahead, we anticipate posting approximately 9% in the upcoming year.

Importantly, we believe there is a real opportunity to reach our ROFE targets a full year ahead of schedule. That's a very positive signal and confirms that we are tracking well ahead of expectations on this key performance metric.

Slide 21 – Reconciliation of normalised results

It is always important that we are transparent on the items we are normalising, as previously mentioned these are relatively straight forward in FY2025 and include the closure of Strathmerton, PCA and the portfolio rationalisation.

Slide 22 – Balance sheet

I would make two key comments on the balance sheet;

- First, we are very pleased with the **\$36 million reduction in net debt**, reflecting disciplined financial management and strong cash flow performance.
- Second, you will notice a **\$28 million increase in provisions** near the bottom of the statement. This is largely tied to the Strathmerton restructuring, and most of these provisions are expected to be paid on a cash basis during FY2026.

These movements reflect the strategic decisions we have made to strengthen our balance sheet and position the business for long-term efficiency and growth

Slide 23 – Cash flow

We have seen a very strong improvement in both leverage and cash flow. On a like-for-like basis, cash flow is up by more than \$30 million and our leverage has reduced to 0.8, well below our previous levels and ahead of target.

Looking ahead to FY2026, two key developments will shape our financial profile:

- We will be paying down provisions related to the Strathmerton consolidation.
- There is an increase in milk prices, which will have a short-term impact on leverage.

As a result, we expect leverage to temporarily rise to around 1.5x during the year, but we remain confident in our ability to deleverage from that point forward.

We closed year two of our strategic plan with gross margin and cash flow performance exceeding expectations. This positions Bega Group exceptionally well to continue creating shareholder value through both organic growth and strategic, inorganic opportunities.

Slide 24 - Outlook

We are positive about the outlook for the Bega Group. Our strategy remains highly relevant and continues to be anchored by the six strategic pillars we outlined to the market two years ago. We



believe there is significant opportunity within those pillars to not only meet but exceed our FY2028 commitments.

Our new product development pipeline is robust and closely aligned with evolving consumer needs. I have long been a strong advocate for the functional benefits of dairy, benefits that resonate with both Australian consumers and those in our key international markets. Dairy continues to be a powerful vehicle for delivering daily health and wellness outcomes, and we are well-positioned to lead in that space.

We are also deeply focused on cost management. Across the business, we are implementing AI-driven initiatives, improving our cost-to-serve model, enhancing demand planning, and optimising line utilisation and waste reduction. At the head office level, the team have made impressive strides with robotic process automation, unlocking further efficiencies and scalability.

Internationally, we remain very positive. We have invested ahead of the curve in our branded global business and we see tremendous opportunities to expand our reach and deepen partnerships. These efforts will not only contribute meaningfully to our current strategy but also lay the foundation for sustained growth over the next five to ten years.

While we have made some difficult decisions such as the closures of Strathmerton and PCA we are confident these changes will deliver a step-change in earnings by FY2027. Though we are reducing our workforce by approximately 450 roles, we are simultaneously increasing business capacity, which reflects the efficiency gains and sharper capital focus these changes enable.

Importantly, despite the scale of transformation in FY2025, including head office optimisation, we have seen improvements in employee engagement and safety. These outcomes speak volumes about the discretionary effort and resilience of our people, and we are incredibly proud of that.

We are also pleased that that in milk recruitment we increased our milk acquisition over the past two years. This adds stability to our bulk business and reinforces our competitive positioning.

Bringing all of this together, we believe we are on track to exceed our EBITDA target of \$250 million by FY2028. We are pleased to provide guidance for FY2026 with a normalised EBITDA range of \$215 million to \$220 million, further evidence of our strategic momentum and delivery capability.

Finally, I want to extend my sincere thanks to our team, our suppliers and our customers for their partnership throughout the year. To our consumers, thank you for your continued support. And to our shareholders your trust and commitment have been instrumental, and we deeply appreciate it.

Slide 25 – Thank you & Questions

Thank you, Pete.

Before we move into questions, I'd like to take a moment to reflect. For those attending today whether online or in person who have followed Bega Group's evolution, I am delighted to present our FY2025 results.

It has always been about laying strong foundations for the future, ensuring we have the capacity, agility, and resilience to respond to change. I hope this presentation has conveyed the depth of capability, the strength of our infrastructure, brands and people and the strategic groundwork we have established over many years. These are the pillars that position us so well for what lies ahead.



Ladies and Gentlemen that brings us the end of the presentation.

Are there any questions?

Slide 26 – Annual General Meeting

Ladies and Gentlemen, we have now come to the formal part of the meeting.

Slide 27 – Voting procedure

A poll is being held on all resolutions at this meeting. If leaving early, place completed voting cards in the ballot box by the registration desk.

For each item of business, I will first open the floor for discussion and then, will put the motion for that item to the meeting, and ask you to complete your voting cards in relation to that item.

Share Registrar, Ms Julie Stokes of MUFG Corporate Markets (AU) Limited will act as Returning Officer in relation to the poll.

If there are any aspects regarding voting that you are uncertain about, please ask one of the Registrar staff.

The results of the poll will not be available before the end of the meeting. You can however obtain the results of the poll later today by visiting the Bega Group website or the ASX.

Slide 28 – Resolutions

Adopt remuneration report for the year ended 30 June 2025.

Election of Directors.

Slide 29 – Adoption of Remuneration Report

Firstly, to item 2 in the notice of meeting. The Remuneration report on pages 35 - 55 of the Annual Report outlining the remuneration for the Board, Executive, CEO and other key personnel.

In setting remuneration, the Nomination Remuneration, People and Capability Committee refer to market and external advisors.

I would inform the meeting that the following proxies have been received in respect to the Remuneration report. I will be casting the undirected proxies in favour of the motion.

Are there any questions?

As there are no [further] questions, I now move that the remuneration report for the period ended 30 June 2025 be adopted.

I will now put the motion to the meeting.

Would you please now complete your yellow voting card in relation to item 2.

Slide 30 – Patria Mann

I now move to the re-election of Patria Mann. Patria, I invite you to say a few words....

Thank you, Patria.

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Before we proceed, I would like to inform the meeting we have the following proxies in respect to Patria's re-election. I will be casting the undirected proxies in favour of the motion.

Are there any written questions?

Are there any questions?

As there are no [further] questions, I now move that Patria Mann be re-elected to the Board.

I will now put the motion to the meeting.

If you haven't already done so, please record your vote in relation to Resolution 3(a).

Slide 31 – Janette Kendall

I now move to the election of Janette Kendall. Janette, I invite you to say a few words....

Thank you, Janette.

Before we proceed I would like to inform the meeting we have the following proxies in respect to Janette election. I will be casting the undirected proxies in favour of the motion.

Are there any written questions?

Are there any questions?

As there are no [further] questions, I now move that Janette Kendall be elected to the Board.

I will now put the motion to the meeting.

If you haven't already done so, please record your vote in relation to Resolution 3(b).

Slide 32 – creating great food for a better future

Ladies and gentlemen thank you very much for your attendance at this year's AGM.

If all votes have been completed, please ensure you lodge your yellow voting cards in the ballot box stationed at the registration desk to ensure your votes are counted. The poll will remain open for a further 5 minutes.

Voting outcomes of today's resolutions will be announced to the ASX and published on the Investor page of the Bega Group website later on today.

I now declare the meeting closed.

Slide 33 – Appendix - glossary

Slide 34 – Disclaimer

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