



MY FOOD BAG GROUP LIMITED – FY23 CURRENT TRADING UPDATE

My Food Bag Group Limited (MFB) provides this update in the interests of keeping the market informed of trading during FY23 following the completion of the first four months of the year.

Trading update

My Food Bag has seen a slower start to trading in FY23 than expected.

As at the end of July 2022, deliveries¹ were down -3.8% compared to the same time last year. At the same point, active customer numbers had recovered from the beginning of the year to be 73,145 (in line with the end of July 2021 of 72,105).

Omicron had a marked effect on My Food Bag's supply-side confidence in Q4 FY22 as the company and its suppliers encountered difficulties accessing staff and dealing with the flow-on problems of incomplete and late deliveries. My Food Bag responded to these challenges at the time by further simplifying its product offering and reducing marketing activity, which had the effect of a slower start to FY23.

Trading to date in FY23 has also been affected by the economic environment and inflationary pressure on households. This has resulted in a relatively stronger Bargain Box performance within our portfolio of brands and an overall pattern of customers trading down to smaller bags. These have had an unfavourable impact on mix, which negatively impacts earnings.

In terms of financial performance, as at the end of July, while revenue was up 2.5%, EBITDA was down approximately -8.5% when compared to the same time last year.²

Action is being taken across the business to improve trading performance. The priority areas are active customer numbers and increasing customer order frequency. The recent launch of a My Food Bag loyalty campaign has seen strong uptake and is expected to increase order frequency and retention. A new Fresh Start 3-night product offering has been launched, providing customers a further opportunity to achieve their health goals.

We are also continuing to look for opportunities to grow the Kitchen and innovate our existing products and have recently introduced customisation initiatives, like gourmet meal upgrades, to grow average order value.

Cost pressures stemming from overarching inflation and weather events continue to be managed through price increases and ingredient substitution where possible.

As a consequence of the lower earnings performance to date and anticipated impact from ongoing economic headwinds, full year earnings for the current year are expected to be below FY22.

¹ Deliveries are unaudited and have been normalised for the difference in trading weeks between the current FY23 financial year and the previous FY22 financial year to make the two periods comparable.

² EBITDA is unaudited. The revenue and EBITDA figures have been normalised for the difference in trading weeks between the current FY23 financial year and the previous FY22 financial year to make the two periods comparable.

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More information on several of the ongoing operational initiatives underway at My Food Bag will be provided to investors at My Food Bag's annual meeting on Friday, 19 August.

Authorised by:
Board of Directors of My Food Bag Group Limited

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