



Arnott's launches new group structure and strategy for growth, building on FY20 performance

Sydney, Australia – 28 August 2020

HIGHLIGHTS

- COVID-19 related restrictions drove additional sales of 4 million packs of chocolate biscuits, 2 million cans of soup, 2.7 million packs of stock and a million more units of V8 Juice.
- Across FY20, sales growth of 6% year-on-year, with 270 million Tim Tams sold in Australia.
- AUD 66.4 million infrastructure investment and renewal program undertaken to modernise baking facilities in Australia.
- AUD 110 million worth of fresh ingredients purchased from Australian farmers.
- New identity – *The Arnott's Group* – and corporate logo refresh announced as part of strategy to build a multinational consumer food business across the Asia Pacific.

Arnott's has marked an important milestone, launching a new corporate brand identity that unites its family of leading consumer food brands. *The Arnott's Group* has been introduced to employees and stakeholders, celebrating the company's rich history and bright future.

The launch of the new corporate brand coincided with Arnott's strongest financial performance in recent years and the first since the sale of the business to investment firm, KKR, in December 2019.

This signifies a new chapter for the business as The Arnott's Group sets its sights on building a regional powerhouse of consumer food brands, based in and run from Australia.

The identity is designed to express this next generation of the business by capturing its proud history, including the vibrant colours of the parrot which is one of the most recognisable brand symbols in Australia.

Arnott's legacy as one of Australia's oldest and most trusted brands will help drive a business strategy that emphasises food quality, local sourcing, and community trust.

The new corporate identity is not consumer facing, and there is no change to the Arnott's logo that is currently on Australians' favourite packet of biscuits.

CEO COMMENTARY

The Arnott's Group CEO, George Zoghbi said, "We have a fantastic legacy, a strong business and a plan for growth by building a world-leading group of businesses from right here in Australia."

"Our business began as a family group led by William Arnott and bonded by their spirit and determination to succeed. Today we are proud and privileged to have a locally-run operation built on local ingredients, quality, freshness and authenticity."

"In all our markets, our food is made locally using predominantly local ingredients."



“Across Australia, we work with the farmers who harvest our wheat, the bakers and chefs who bring our biscuits, soups and snacks to life and our partners who keep grocery shelves stocked so Aussies can always find their favourite brands in store. We have a responsibility to continue that legacy for many generations to come.”

“A big part of our strategy will be investing in our people and products while minimising our environmental impact and supporting the communities in which we operate.”

“Our strong performance and the launch of our new corporate brand identity is laying the foundations for our continued growth in Australia and beyond.”

STRONG PERFORMANCE IN FY20 UNDER CHALLENGING CONDITIONS

The Arnott's Group finished FY20 in a strong financial position in part as lockdown restrictions across the country led to more people cooking and snacking at home.

Over March-June 2020, an extra 4 million packs of chocolate biscuits, an additional 2 million cans of soup, an extra 2.7 million packs of stock and 1 million more bottles and packs of V8 Juice were purchased by consumers.

Sales grew by 6% from the previous year on the back of increases in Australia, New Zealand, Malaysia, Japan and Hong Kong and, through growth in exports from our Australian facilities.

Our key performers included Tim Tams (270 million individual biscuits sold), Campbell's soups products (over 5 million units sold) and V8 juice bottles and packs (nearly 3.5 million sold).

COVID-19 related supply chain constraints led to production cost increases of approximately 6% in the last financial year, which we worked to offset through a program of efficiency measures.

Despite unprecedented pressure on many suppliers due to COVID-19 and the summer bushfires, we purchased over AUD 110 million in fresh ingredients from Australian and New Zealand farmers.

Over 72,000 tonnes of Australian flour, 23,000 tonnes of Australian sugar and 4,400 tonnes of Australian and New Zealand-made dairy products came into our baking and cooking facilities.

In addition, The Arnott's Group is proud to use RSPCA-approved cage free eggs, last year purchasing the equivalent of over 10 million eggs. We purchased 489 tonnes of UTZ-certified cocoa products, supporting sustainable and socially responsible cocoa production worldwide. Our food is only made with RSPO-certified palm oil products.

In FY20 the business also invested AUD 66.4 million in new infrastructure, including a state-of-the-art 4-acre warehouse at Huntingwood in Sydney's west, which will be completed early in 2021.

BUILDING A REGIONAL POWERHOUSE OF CONSUMER FOOD BRANDS

Over the next three years, The Arnott's Group will expand its reach across key geographies in Asia Pacific to become a leading regional consumer food business.

From its headquarters in Sydney, The Arnott's Group will invest in key Asian markets; our 'Tim Tam takeover' will accelerate growth in biscuits, snacks, soups and meals in select geographies.

In Australia and New Zealand, our focus will be on growth in our existing biscuits business, delivering an efficient meals and beverages business and, addressing gaps in key snack food categories.



Throughout, we will remain focused on quality, local ingredients, invest in sustainable supply chains and partner with the communities in which we operate.

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About The Arnott's Group

The Arnott's Group portfolio of brands continues the 155 year legacy of the Arnott family, providing quality, great-tasting food *to create delicious moments* for consumers across the world. Employing over 2,900 people in markets across Asia Pacific, The Arnott's Group is headquartered in Sydney, Australia with Arnott's operations in Auckland, New Zealand and bakeries in Western Sydney, Brisbane, Adelaide and Indonesia. In addition, the portfolio includes Campbell's products in Australia, Malaysia, Hong Kong and Japan, and manufacturing operations in Shepparton, Australia and Malaysia.

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