

## Lactoferrin production capacity to lift from 3 tpa to 25 tpa.

Beston Global Food’s (BFC) strategy is forecast to become a leading Australian based supplier of safe, clean and healthy dairy and meat-based protein to the world’s growing consumer markets, while at the same time looking to crystallise value in its nutraceutical and technology platforms.

## Capital raises in FY20 and FY21 to fund lactoferrin production capacity expansion and Jervois plant upgrades.

In June 2020, BFC raised \$10m to expand lactoferrin production capacity from 3 tpa to 12 tpa. In February 2021 BFC raised an additional \$15.6m via an entitlement offer to fund a further expansion of the lactoferrin production capacity from 12 tpa to 25 tpa by March 2022. Additionally, extra capital has been raised to fund upgrades at the Jervois facility which has been experiencing operational issues in 1H21.

Following the success of the capital raises BFC has significantly de-levered its balance sheet and lowered its risk profile. It now needs to focus on completing the production capacity expansion in a timely manner and look to put in place sales agreements for the materially increased lactoferrin production capacity.

## Continues to be a FY22 story.

We continue to forecast that FY21 will be a transition year and BFC will be NPAT positive in FY22. If we are correct, at the current spot price, BFC is trading on ~6.4 times FY22 earnings per share and a FY22 EV/EBITDA multiple of ~3.8 times. This would have it trading at a material discount to its closest local peers, Bega Cheese (BGA-AU) and Clover Corporation (CLV-AU), that are trading on one year forward EV/EBITDA multiples of 11.1 and 12.5 times respectively.

## Investment Management Agreement (IMA) to terminate in August 2021.

We have assumed shareholders approve the proposal to be voted on at an EGM on the 28<sup>th</sup> May 2021, that the IMA with Beston Pacific Asset Management (BPAM) be terminated at a cost of \$1.13m and the issuance of 21.125m shares on the 28<sup>th</sup> August 2021. We have incorporated the additional shares to be issued in our valuation and our earnings forecasts.

## Valuation

Our base case 12 month forward discounted cash flow valuation has lifted from \$0.21 to \$0.31 reflecting the increased lactoferrin production capacity and adjusting for the additional shares on issue post the recent entitlement offer and the forecast shares to be issued upon termination of the IMA.

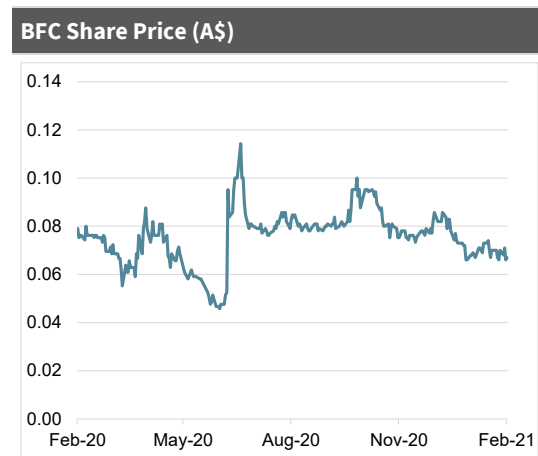


Beston Global Food (BFC) owns and operates a portfolio of food and beverage businesses. Its primary operations are now focussed on dairy and meat. The dairy segment owns production plants and uses milk to produce mozzarella cheese, whey powder, lactoferrin and other dairy products. The meat segment is focused on production of meat and related products for domestic and export markets.

<https://bestonglobalfoods.com.au/>

Stock	BFC.ASX
Price	A\$0.07
Market cap	A\$58m
Valuation	A\$0.31

Near term catalysts	
March 2021	Lactoferrin expansion completion
Ongoing	New milk supply agreements



Source: FactSet

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## Beston Global Food Financial Forecasts

Beston Global Food						BFC-AU
Year end 30 June						
MARKET DATA						
Price	\$				0.069	
52 week high / low	\$				0.11 - 0.05	
Valuation	\$				0.31	
Market capitalisation	\$m				58.2	
Shares on issue (basic)	m				843.5	
Options / Performance shares	m				0.0	
Issuance for IMA termination	m				21.1	
Potential shares on issue (diluted)	m				864.6	
INVESTMENT FUNDAMENTALS						
		FY19	FY20	FY21E	FY22E	FY23E
Reported NPAT	\$m	(27.0)	(11.6)	(7.7)	9.3	17.3
Underlying NPAT	\$m	(4.9)	(12.4)	(7.7)	9.3	17.3
EPS Reported (undiluted)	¢	(6.1)	(2.5)	(1.1)	1.1	2.0
EPS Underlying (undiluted)	¢	(1.1)	(2.7)	(1.1)	1.1	2.0
Underlying EPS growth	%	n/m	n/m	n/m	n/m	85%
P/E Reported (undiluted)	x	n/m	n/m	n/m	6.4	3.4
P/E Underlying (undiluted)	x	n/m	n/m	n/m	6.4	3.4
Dividend	¢	0.0	0.0	0.0	0.0	0.0
Payout ratio	%	0%	0%	0%	0%	0%
Yield (Y/E/ spot)	%	0.0	0.0	0.0	0.0	0.0
Franking	%	n/a	n/a	n/a	n/a	n/a
Gross Yield (Y/E/ spot)	%	0.0	0.0	0.0	0.0	0.0
Operating cash flow per share	¢	(2.1)	(3.0)	(1.2)	1.9	2.9
Price to operating cash flow	x	n/m	n/m	n/m	3.7	2.4
Free cash flow	\$m	(22.2)	(10.7)	14.7	0.4	22.6
Free cash flow per share	¢	(5.0)	(2.3)	2.1	0.0	2.6
Price to free cash flow	x	n/m	n/m	3.3	165.0	2.6
Free cash flow yield	%	n/m	n/m	30.6%	0.6%	38.0%
Book value / share	¢	18	14	10	11	14
Price to book (NAV)	x	0.7	0.6	0.7	0.6	0.5
NTA / share	¢	14	12	9	10	13
Price to NTA	x	0.9	0.7	0.8	0.7	0.5
Year end shares	m	443.3	588.8	843.5	864.6	864.6
Market cap (Y/E / Spot)	\$m	53.2	50.1	58.2	59.7	59.7
Net debt /(cash)	\$m	39.4	39.0	8.5	8.2	(14.5)
Enterprise value	\$m	92.4	88.3	66.0	67.1	44.5
EV/Sales	x	1.1	0.9	0.5	0.4	0.2
EV/EBITDA	x	n/m	n/m	n/m	3.8	1.5
EV/EBIT	x	n/m	n/m	n/m	4.9	1.7
Net debt / Enterprise Value	x	43%	44%	13%	12%	-33%
Gearing (net debt / EBITDA)	x	(2.1)	(3.5)	(1.3)	0.5	(0.5)
ROE (Average Equity)	%	n/m	n/m	n/m	11%	18%
ROA (EBIT)	%	n/m	n/m	n/m	10%	16%
Interest cover (EBIT / net interest)	x	(16.2)	(8.9)	(9.1)	25.0	38.8
DIVISIONAL						
		FY19	FY20	FY21E	FY22E	FY23E
Milk supply (MI)		103	111	138	160	180
Milk sold (MI)		42	14	13	8	5
Mozzarella sales (t)		4,364	8,902	12,571	15,276	17,530
Cheddar & other hard cheese (t)		1,634	1,221	650	650	650
Whey production (t)		2,635	3,962	6,244	7,587	8,706
Lactoferrin production (t) (liquid)		-	-	1.4	6.4	-
Lactoferrin production (t) (powder)		0.3	1.4	3.6	12.3	21.2
Lactoferrin liquid & powder sales (t)		0.3	0.5	4.3	16.9	19.1
Cream production (kl)		929	1,614	2,008	2,440	2,800
Mozzarella A\$/t		5,179	5,830	5,705	5,705	5,762
Cheddar & other hard cheese A\$/t		6,040	7,175	7,175	7,175	7,175
Whey A\$/t		1,295	1,458	1,458	1,458	1,458
Lactoferrin A\$/kg (liquid)		-	-	700	700	700
Lactoferrin A\$/kg (powder)		1,555	1,298	1,500	1,500	1,500
Cream A\$/kl		3,445	3,470	3,470	3,470	3,470
Dairy sales	\$m	75.4	90.4	113.9	146.5	171.0
Meat sales	\$m	6.5	12.4	15.5	18.0	19.9
12 month relative performance versus S&P/ASX Small Ordinaries						
PROFIT AND LOSS						
		FY19	FY20	FY21E	FY22E	FY23E
Sales	\$m	84.8	103.0	129.6	164.7	191.1
COGS	\$m	(81.1)	(93.9)	(113.7)	(127.6)	(141.5)
Gross margin	\$m	3.7	9.2	15.9	37.0	49.6
Gross margin	%	4.4%	8.9%	12.3%	22.5%	26.0%
Other income	\$m	1.3	5.3	0.1	0.1	0.2
Other operating costs	\$m	(24.0)	(25.4)	(22.6)	(19.6)	(20.3)
EBITDA	\$m	(19.0)	(11.0)	(6.6)	17.5	29.4
Depreciation & amortisation	\$m	(1.9)	(3.0)	(3.3)	(3.8)	(4.0)
EBIT	\$m	(20.9)	(14.0)	(9.9)	13.8	25.4
Net interest	\$m	(1.3)	(1.6)	(1.1)	(0.6)	(0.7)
Impairments / Associates	\$m	(10.4)	(1.7)	0.0	0.0	0.0
Pretax Profit	\$m	(32.5)	(17.3)	(11.0)	13.2	24.8
Tax expense	\$m	5.2	5.1	3.3	(4.0)	(7.4)
Minorities	\$m	(0.3)	(0.6)	0.0	0.0	0.0
NPAT	\$m	(27.0)	(11.6)	(7.7)	9.3	17.3
Adjustments & Significant items	\$m	(22.1)	0.8	0.0	0.0	0.0
Underlying NPAT	\$m	(4.9)	(12.4)	(7.7)	9.3	17.3
BALANCE SHEET						
		FY19	FY20	FY21E	FY22E	FY23E
Cash	\$m	1.9	10.6	14.9	5.3	22.9
Receivables	\$m	15.7	13.3	14.5	15.6	16.8
Inventory	\$m	14.2	12.6	13.7	14.8	15.9
Other	\$m	0.0	38.5	0.0	0.0	0.0
Current assets	\$m	31.9	75.0	43.1	35.7	55.5
PPE	\$m	68.2	41.8	55.0	66.9	65.5
Intangibles	\$m	19.4	8.6	8.6	8.6	8.6
Other	\$m	21.1	19.9	19.8	19.8	19.8
Non current assets	\$m	108.7	70.3	83.4	95.3	93.9
Total Assets	\$m	140.6	145.3	126.5	130.9	149.5
Accounts Payable	\$m	15.7	13.8	15.0	16.2	17.4
Borrowings	\$m	5.5	26.1	0.0	0.0	0.0
Other	\$m	0.5	0.7	0.7	0.7	0.7
Current liabilities	\$m	21.7	40.6	15.7	16.9	18.1
Borrowings	\$m	35.8	23.4	23.5	13.5	8.5
Deferred tax liabilities	\$m	2.8	1.0	1.3	1.6	2.0
Other	\$m	0.2	0.3	0.3	0.3	0.3
Non current liabilities	\$m	38.8	24.8	25.1	15.4	10.8
Total Liabilities	\$m	60.4	65.4	40.7	32.3	28.9
Equity	\$m	147.5	159.3	176.2	180.6	180.6
Retained earnings	\$m	(58.1)	(69.7)	(77.4)	(68.1)	(50.8)
Reserves / Other	\$m	(9.3)	(9.6)	(13.0)	(13.8)	(9.2)
Shareholder's equity	\$m	80.1	80.0	85.7	98.7	120.6
CASH FLOW						
		FY19	FY20	FY21E	FY22E	FY23E
EBITDA	\$m	(19.0)	(11.0)	(6.6)	17.5	29.4
Change in working capital	\$m	11.1	(1.1)	(1.0)	(1.0)	(1.0)
Net interest	\$m	(1.3)	(1.6)	(1.1)	(0.5)	(0.6)
Tax paid / Refund	\$m	0.0	0.0	0.0	0.0	(2.4)
Other	\$m	0.0	0.0	0.0	0.0	0.0
Operating cash flow	\$m	(9.1)	(13.7)	(8.7)	16.0	25.3
Stay in business capex	\$m	(1.5)	(1.5)	(1.6)	(1.6)	(1.7)
Growth capex	\$m	(10.9)	(4.2)	(15.0)	(14.0)	(1.0)
Asset sales (acquisitions)	\$m	(0.7)	8.7	40.0	0.0	0.0
Net investment / Other	\$m	0.0	0.0	0.0	0.0	0.0
Investing cash flow	\$m	(13.0)	3.0	23.4	(15.6)	(2.7)
Change in Equity	\$m	0.0	11.5	16.8	0.0	0.0
Increase/(decrease) in borrowings	\$m	19.8	7.8	(26.1)	(10.0)	(5.0)
Dividend / other	\$m	0.0	0.1	(1.1)	0.0	0.0
Financing cash flow	\$m	19.8	19.4	(10.4)	(10.0)	(5.0)
Foreign exchange movements	\$m	(0.2)	(0.1)	0.0	0.0	0.0
Change in Cash / FX	\$m	(2.5)	8.6	4.4	(9.6)	17.6

## Investment Thesis

Beston Global Food's (BFC) strategy, since listing, has been to become a leading Australian based supplier of safe, clean and healthy dairy and meat-based protein to the world's growing consumer markets, particularly in Asia.

BFC owns and operates a portfolio of food and beverage businesses focussed on dairy and meat.

The dairy segment owns production plants and uses milk to produce mozzarella cheese, lactoferrin (a protein found in bovine milk) that has significant anti-viral and anti-bacterial functions and properties which are essential in both boosting and modulating the human immune system and other dairy products for domestic and export markets.

The meat segment is focused on production of meat and related products for domestic and export markets.

Other operations include businesses developing technological software for tracking the provenance and authenticity of goods, as well as the production of spring water and related products.

See our 10 August 2020 initiation "Dairy to drive earnings into FY22: at: <https://www.mstfinancial.com.au/>

## Lactoferrin production capacity to lift from 3 tpa to 25 tpa

In June 2020, BFC raised \$10m to expand the lactoferrin production capacity at its Jervois plant from 3 tpa to 12 tpa.

In February 2021 BFC raised an additional \$15m via an entitlement offer to fund a further expansion of the lactoferrin production capacity to 25 tpa by March 2022 based on sourcing 180 ML p.a. of milk supply. Additionally, extra capital has been raised to fund upgrades at the Jervois facility which has been experiencing operational issues in 1H21.

At full capacity the potential incremental gross margin from the increase in capacity from 3 tpa to 25 tpa is ~\$23m, based on \$1,500/kg for lactoferrin powder at a gross margin of 70%.

## Timeline of production expansion

BFC's current production of lactoferrin is 3 tpa.

Stage 1 - By March 2021 lactoferrin production was to lift from 3 tpa to 12 tpa powder (funded by the \$10m June 2020 equity raising.

Figure 1 – Proposed use of funds from February 2021 capital raise

	Cost	Capital item	Comments	Timing <sup>1</sup>
<b>Stage 2 lactoferrin expansion</b>	\$1.5m	2 <sup>nd</sup> lactoferrin extraction column	Deliver additional FY22 lactoferrin production capacity of ~8 Tpa based on 160 ML of milk supply	Mar-21
Stage 2 lactoferrin expansion	\$7.0m	Lactoferrin spray drier and packing	Ability to broaden offering of dried lactoferrin product at a premium price	Mar-22
Stage 2 lactoferrin expansion	\$1.0m	Other	Includes critical spares and testing equipment	Mar-21
<b>Govt funding</b>	(\$2.0m)	SA Govt Regional Growth Grant	Conditional upon Beston funding the residual stage 2 costs	Feb-21
<b>Jervois upgrades</b>	\$2.25m \$0.75m	2 <sup>nd</sup> Boiler 2 <sup>nd</sup> Multivac	Boiler increases reliability for 24/7 operations, Multivac increases handling rate for higher mozzarella production	Dec-21 Sept-21
Jervois upgrades	\$2.1m	Milk silo expansion	Increase milk storage capacity by 1 ML	Jul-21
Jervois upgrades	\$2.0m	Mozzarella automated packing	Automate end-of-line packing and palletising of mozzarella	Dec-21
<b>Total uses</b>	\$14.6m			

1. Expected completion timing with best endeavours undertaken to meet dates

Source: Company data

## Stage 2 – Part 1

The \$15m capital raise just completed is to expand lactoferrin capacity from 12 tpa to 25 tpa and to provide upgrades to the Jervois facility.

We note that the new column will be fully funded by a \$2m South Australian Regional Growth Grant which effectively lifts lactoferrin production to 20 tpa based on current milk supply (140 ML contracted) by March 2021.

The additional 8 tpa produced over and above the 12 tpa funded by the 2020 capital raise is liquid as no new dryers will have been installed. The additional 8 tpa represent annualised sales growth of \$5.6m p.a. (assuming \$700/kg for lactoferrin liquid). As milk supply grows lactoferrin production grows but incremental production is liquid as there is no new drying capacity.

## Stage 2 - Part 2

By March 2022 BFC will have installed a new freeze dryer and packing equipment so powder lactoferrin production will total 20 tpa production. The additional 8 tpa of dry powder production represents annualised sales growth of \$12m p.a. (assuming \$1,500/kg for lactoferrin powder).

Lactoferrin production will then continue to grow to capacity of ~25 tpa as contracted milk grows to ~180 ML.

**From FY20 BFC will, at completion in March 2022, have added 22 tpa of lactoferrin production capacity equating to \$33m in additional sales (based on A\$1,500/kg) and \$23m of gross margin (assuming a 70% gross margin).**

BFC has grown its milk supply from nil at its initial public offering (IPO) to 140 ML of contracted supply in FY21. BFC are targeting 180 ML of contracted milk by FY23.

For every 20 ML of milk supplied to BFC, the company forecasts an additional \$21m of sales revenue and ~\$5m of gross margin from the production of additional mozzarella, lactoferrin, whey and other dairy products.

## Why expand capacity now?

BFC has been able to secure a column which if it didn't lock down now it would have missed out and it would have precluded BFC from expanding capacity for a number of years". More importantly BFC has received a \$2m South Australian Government Regional Growth Grant which was conditional on BFC proceeding with the expansion.

BFC has brought on a number of new members to the management team including Frank Baldi who has extensive lactoferrin plant development and production expertise. BFC has adjusted the previous lactoferrin expansion program and identified opportunities to accelerate the expansion, particularly given the SA grant noted above.

BFC has also been more successful in contracting milk supply than initially forecast so it now has enough contracted to justify a plant expansion. Given the ability to grow lactoferrin production from 20 tpa to 25 tpa from planned expansion, BFC can now go out and contract more milk up to 160 ml then 180 ML which will grow lactoferrin, mozzarella and other dairy production and thus sales.

## Near-term catalysts

- Completion of initial lactoferrin production capacity increase to ~ 20 tpa in the first quarter of CY2021 and 25 tpa by FY23, assuming BFC can source and contract 180 ML of milk supply.
- Source sales contracts for expanded lactoferrin production
- Increase milk supply from the current 140 ML contracted in FY21 to 180 ML by FY23 to further utilise capacity at Jervois mozzarella facility. Capacity utilisation in FY20 was 49% up from 70% in FY21
- Completion of the internalisation of Beston Pacific Asset Management (BPAM) investment management agreement (IMA) scheduled to be completed by August 2021
- Continue to grow order book for the Provincial Food Group (meat sales) from the \$12m achieved in FY20

## Forecast earnings update – It’s still all about FY22.

We have updated our forecasts reflecting the lactoferrin capacity expansion and the additional shares on issue post the capital raise and the shares to be issued upon termination of the IMA in FY22.

Lactoferrin production is not materially impacted in FY21 given the new capacity is forecast to commission in March 2021. FY21 forecast earnings will however be impacted by factory down-time that was reported in the CEO’s letter to shareholders in October last year. We believe the decision to raise additional capital in the latest raising will be used to upgrade plant at the Jervois facility to minimise these business interruptions going forward.

FY22 will see a full year of benefit from the new capacity on-line but will only benefit from three months of the new drying capacity.

FY23 will see a full year of benefit from the new production and drying capacity.

Additionally, we have now assumed that not all production is sold in the forecast years so our revenue forecasts have come off approximately 5% on what would have been resulted from the forecast incremental growth.

For example: FY23 previous sales of \$176.4m plus 13 t of new lactoferrin powder production at \$1,500/kg would have resulted in \$195.9m of sales. Assuming ~95% of production is sold results in ~\$190m of sales.

Figure 2 – BFC earnings changes

A\$m	FY20				FY21				FY22				FY23			
	Reported	New	Old	Delta	New	Old	Delta	New	Old	Delta	New	Old	Delta			
Income	103.0	129.6	136.1	(5%)	164.7	160.7	2%	191.1	176.4	8%						
EBITDA	(11.0)	(6.6)	0.5	n/m	17.5	15.2	15%	29.4	18.3	61%						
EBIT	(14.0)	(9.9)	(2.8)	n/m	13.8	11.0	25%	25.4	14.1	80%						
NPAT	(11.6)	(7.7)	(2.4)	n/m	9.3	7.3	27%	17.3	9.6	81%						
EPS ©	(2.7)	(1.1)	(2.7)	n/m	1.1	1.2	(10%)	2.0	1.6	25%						
P/E (x)	n/m	n/m	n/m		6.4	5.8		3.4	4.3							
EV/EBITDA (x)	n/m	n/m	n/m		3.8	3.7		1.5	2.3							

Source: MST, Company data

## Valuation

Our base case 12 month forward discounted cash flow valuation has lifted from \$0.21 to \$0.31 reflecting the fast tracking of the lactoferrin production capacity expansion.

If we are correct, at the current spot price, BFC is trading on ~6.4 times FY22 earnings per share and a FY22 EV/EBITDA multiple of ~3.8 times.

This would have it trading at a material discount to its closest local peers. Bega Cheese (BGA-AU) and Clover Corporation (CLV-AU) are trading on one year forward EV/EBITDA multiples of 11.1 and 12.5 times respectively.

## Risks

Key operational and project risks are:

- Completion and commissioning of lactoferrin expansion project.
- Competition and adverse weather conditions impacting on milk supply.
- Operational risk at dairy facilities including equipment failure, labour shortages and industrial disputes.
- Cost control and achievement of gross margin expansion.
- Regulatory risk in both home and export markets impacting production and or sales.

Key pricing and valuation sensitivities are:

- Key commodity pricing including milk, mozzarella, whey and lactoferrin.
- Australian dollar exchange rate against the US dollar.
- Discount rate applied to forecast cash flows and terminal growth assumptions.

## Beston Global Food Group Financials

### FY21 Guidance

BFC has restated guidance at the February capital raise for a number of key operational metrics for FY21:

- Milk supply up from 111 ML in FY20 to 131-145 ML, MST at 138 ML in line with contracted milk supply
- Mozzarella production up from 9.1kt in FY20 to 12.6-14.7 kt, MST at 13.2 kt with 12.6 kt of sales
- Dairy sales revenue up from \$90m to \$115-\$125m, MST at ~\$114m
- Product sales revenue up from \$103m to \$130-\$145m, MST at \$130m
- Lactoferrin production up from 1.4t to 4.0-6.0t, MST at 5.0t
- Capex up from \$6.0m in FY20 to \$24m-\$29m, MST at \$16m in FY21 and \$15m in FY22 inclusive of ~\$1.6m p.a.

### Financial forecasts

#### Milk Supply

Key to any dairy operation is certainty of milk supply. BFC has built relationships with local farmers and has increased its milk supply from nil at its initial public offering (IPO) to a forecast 138 ML of contracted supply in FY21.

Milk supply is integral to BFC’s operations and we estimate it to be ~75% of the cost of goods sold for the dairy operations.

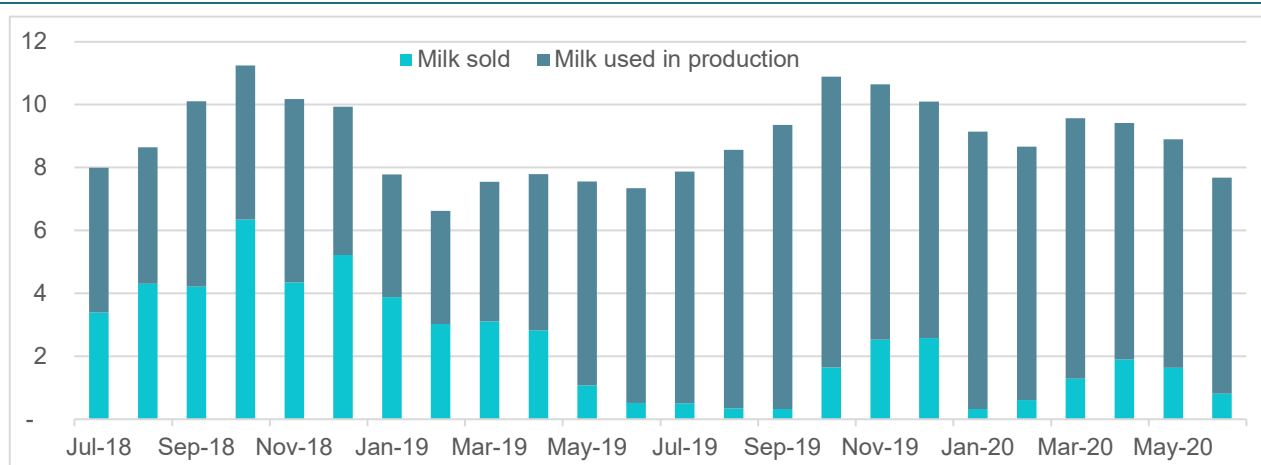
The company estimates that every additional 20 ML of milk supply contributes \$21m to sales and ~\$5m to gross margin post completion of the lactoferrin plant expansion.

When BFC started its mozzarella project, it contracted ~90 ML of milk with independent dairy farmers and BFC’s own farms to support the investment in and subsequent sales growth, from the mozzarella factory.

This volume of milk was excess to immediate requirements which meant in FY19 a large percentage of milk (~41%) was on sold and not used in higher margin dairy production (Figure 3).

As BFC has ramped up production of mozzarella in FY20 more milk has been used in its own production (87%) and less sold as raw milk (Figure 2).

Figure 3 – BFC milk used in dairy production and sold (ML) per month



Source: MST, Company data

The two cheese plants at Murray Bridge and Jervois have a combined capacity to take around 300 ML of milk annually. In the FY19 year, BFC contracted for the supply of 117 ML of milk but given drought conditions in South Australia, BFC only received 103 ML.

In FY20 milk supplied to the operations was 111 ML. BFC has currently contracted supply of 138 ML in FY21 with an opening milk price paid to farmers of \$7.20/kg milk solids. In FY20 BFC paid an opening price of \$6.80/kg and exited the year paying \$7.05/kg.

Competitor pricing over Australia was reported to range from \$6.00 to \$6.90 with organic milk pricing up to \$8.60. These prices are generally lower than last year's opening prices. Historically, opening prices generally increased as the season progressed.

We believe BFC can and will be prepared to pay a premium to average farmgate whole milk prices given its ability to produce higher margin products and will look to contract more supply as the year progresses.

The medium-term target is to increase milk supply to around 180 ML p.a. by FY23. We have assumed this occurs by FY24.

Figure 4 – BFC milk used in dairy production and sold (ML)

Milk supplied (ML)	FY18	FY19	FY20	FY21E	FY22E	FY23E
<b>Milk supplied (ML)</b>	<b>90.5</b>	<b>102.8</b>	<b>110.8</b>	<b>138.0</b>	<b>160.0</b>	<b>180.0</b>
<i>Growth (ML)</i>		12.3	8.0	27.2	22.0	20.0
<i>Growth</i>		14%	8%	25%	16%	13%
<b>Milk sent to factories for processing</b>		<b>60.6</b>	<b>96.4</b>	<b>125.5</b>	<b>152.5</b>	<b>175.0</b>
<b>Milk sold</b>		<b>42.2</b>	<b>14.4</b>	<b>12.5</b>	<b>7.5</b>	<b>5.0</b>
<i>ABARE Milk forecast (cents/litre)</i>	45.8	49.7	52.4	52.0	51.9	51.6
<b>S.A. Milk cost (cents/litre)</b>	<b>49.9</b>	<b>50.2</b>	<b>52.9</b>	<b>52.5</b>	<b>52.4</b>	<b>52.1</b>
Milk cost \$/kg milk solids (Start year)			6.80	7.20	7.19	7.14
<b>MST estimated milk cost (\$m)</b>	<b>45.2</b>	<b>51.6</b>	<b>58.6</b>	<b>72.5</b>	<b>83.9</b>	<b>93.8</b>

Source: MST, Company data

We note that the recent farm sale locked in the existing ~17 ML p.a. of supply from the farms for 10 years.

The Company has stated that most of its milk supply is secured under multi-year contracts with three to five-year terms. This approach reduces annual recontracting risk. The FY21 forecast milk receivals of 138ML is underpinned by contracts with an annual run rate of ~145 ML, the difference being the timing of new suppliers coming across to Beston in 1Q21.

## BFC Dairy forecasts

Now that the dairy farms have been sold, BFC is in a position to focus on growing production and sales at its dairy operations through increasing milk supply to ~138 ML in FY21, while continuing to transition to a higher margin product mix. Further out BFC will look to grow milk supply to 180 ML and ultimately it could grow to 200 ML given the plant production capacity at Jervois.

We have tabled below our key pricing, production and sales assumptions for the Dairy segment.

The two key pricing assumptions are:

- Lactoferrin sale price of A\$1,500/kg which is in line with BFC's guidance of A\$1,500/kg.
- Mozzarella sale price of A\$5,705/t which is in line with FY20 pricing.

We note that given most of BFC's sales are into the domestic market (~75%) and are done on the basis of one on one negotiation global pricing and the AUDUSD has little impact at this stage.

Figure 5 – Beston Global Food Dairy Forecasts

	FY19	1H20	2H20	FY20	FY21E	FY22E	FY23E
<b>Milk acquired (MI)</b>	<b>103</b>	<b>57</b>	<b>53</b>	<b>111</b>	<b>138</b>	<b>160</b>	<b>180</b>
Milk on sold (MI)	42	8	7	14	13	8	5
Milk used in production (MI)	61	50	47	96	126	153	175
<b>Milk Sales (A\$m)</b>	<b>23</b>	<b>4</b>	<b>4</b>	<b>8</b>	<b>8</b>	<b>5</b>	<b>3</b>
Mozzarella produced (t)	4,387	4,393	4,735	9,128	13,178	16,013	18,375
Mozzarella sold (t)	4,364	4,290	4,612	8,902	12,571	15,276	17,530
Mozzarella A\$/t	5,179	5,711	5,941	5,830	5,705	5,705	5,762
<b>Mozzarella sales (\$m)</b>	<b>23</b>	<b>25</b>	<b>27</b>	<b>52</b>	<b>72</b>	<b>87</b>	<b>101</b>
Cheddar produced (t)	1,634	831	390	1,221	650	650	650
Cheddar sold (t)	2,616	1,007	547	1,554	650	650	650
Cheddar A\$/t	6,040	6,872	7,733	7,175	7,175	7,175	7,175
<b>Cheddar sales \$m</b>	<b>16</b>	<b>7</b>	<b>4</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>5</b>
<b>Nameplate lactoferrin production (t)</b>					<b>7.3</b>	<b>22.0</b>	<b>24.8</b>
Lactoferrin powder produced (t)	0.3	0.6	0.8	1.4	3.6	12.3	21.2
Lactoferrin liquid produced (t)	-	-	-	-	1.4	6.4	-
<b>Lactoferrin produced (t)</b>	<b>0.3</b>	<b>0.6</b>	<b>0.8</b>	<b>1.4</b>	<b>5.0</b>	<b>18.7</b>	<b>21.2</b>
Lactoferrin Powder A\$/t	1,555	1,362	1,068	1,298	1,500	1,500	1,500
Lactoferrin Liquid A\$/t	-	-	-	-	700	700	700
<b>Lactoferrin sales (\$m)</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>5</b>	<b>21</b>	<b>29</b>
Whey produced (t)	2,635	2,278	1,684	3,962	6,244	7,587	8,706
Whey sold (t)	3,012	2,278	1,925	4,203	6,244	7,587	8,706
Whey A\$/t	1,295	1,431	1,491	1,458	1,458	1,458	1,458
<b>Whey sales (\$m)</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>9</b>	<b>11</b>	<b>13</b>
Cream Produced (kl)	929	782	832	1,614	2,008	2,440	2,800
Cream (\$/kl)	3,445	3,517	3,425	3,470	3,470	3,470	3,470
<b>Cream Sales (\$m)</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>10</b>
<b>Other Dairy Sales</b>	<b>7</b>	<b>3</b>	<b>3</b>	<b>7</b>	<b>9</b>	<b>10</b>	<b>11</b>
<b>Total Dairy Sales (\$m)</b>	<b>75</b>	<b>45</b>	<b>45</b>	<b>90</b>	<b>114</b>	<b>146</b>	<b>171</b>
Gross margin	7%	13%	8%	10%	12%	23%	27%
<b>Gross margin (\$m)</b>	<b>5</b>	<b>6</b>	<b>4</b>	<b>9</b>	<b>14</b>	<b>34</b>	<b>46</b>

Source: MST Access, Company data

We are in line with BFC's guidance that for every 20 MI of milk supplied to the facility, 2,100 t of mozzarella, 2.4 t of lactoferrin, 995 t of whey and 320,000 l of cream is produced.

BFC have guided to dairy gross margins of 24% (i.e for every \$21m of sales, \$5m of gross margin) once the lactoferrin expansion is fully ramped up. We use this as our base case margin in FY22, but have assumed margins continue to expand as the higher margin lactoferrin production grows.

Incorporating the dairy segment with the other smaller segments we table below or forecast profit and loss for BFC.



Figure 6 – Beston Global Food Forecast Profit and Loss

A\$m	FY18	FY19	FY20	FY21E	FY22E	FY23E
Dairy	41.6	75.4	90.4	113.9	146.5	171.0
Meat	0.0	6.5	12.4	15.5	18.0	19.9
Other revenue	6.3	2.9	0.2	0.2	0.2	0.2
<b>Sales revenue</b>	<b>47.9</b>	<b>84.8</b>	<b>103.0</b>	<b>129.6</b>	<b>164.7</b>	<b>191.1</b>
Other income	3.2	1.3	5.3	0.1	0.1	0.2
<b>Total Income</b>	<b>51.1</b>	<b>86.1</b>	<b>108.3</b>	<b>129.7</b>	<b>164.8</b>	<b>191.2</b>
<b>COGS</b>	<b>(42.5)</b>	<b>(81.1)</b>	<b>(93.9)</b>	<b>(113.7)</b>	<b>(127.6)</b>	<b>(141.5)</b>
Dairy gross margin	7.4	5.2	9.5	14.0	34.3	45.6
Meat gross margin	0.0	0.4	(0.1)	1.9	2.7	4.0
Other gross margin	(2.0)	(1.9)	(0.2)	0.0	0.0	0.0
<b>Gross Margin</b>	<b>5.3</b>	<b>3.7</b>	<b>9.2</b>	<b>15.9</b>	<b>37.0</b>	<b>49.6</b>
Dairy gross margin (%)	17.7%	6.9%	10.5%	12.3%	23.4%	26.7%
Meat gross margin (%)	n/m	6.2%	(1.2%)	12.5%	15.0%	20.0%
Other gross margin (%)	n/m	n/m	n/m	1.0%	1.0%	1.0%
<b>Gross Margin (%)</b>	<b>11.1%</b>	<b>4.4%</b>	<b>8.9%</b>	<b>12.3%</b>	<b>22.5%</b>	<b>26.0%</b>
<b>Other operating expenditure</b>	<b>(23.9)</b>	<b>(24.0)</b>	<b>(25.4)</b>	<b>(22.5)</b>	<b>(19.5)</b>	<b>(20.2)</b>
<b>EBITDA</b>	<b>(15.4)</b>	<b>(19.0)</b>	<b>(11.0)</b>	<b>(6.6)</b>	<b>17.5</b>	<b>29.4</b>
D&A	(2.1)	(1.9)	(3.0)	(3.3)	(3.8)	(4.0)
<b>EBIT</b>	<b>(17.5)</b>	<b>(20.9)</b>	<b>(14.0)</b>	<b>(9.9)</b>	<b>13.8</b>	<b>25.4</b>
Net interest	1.0	(1.3)	(1.6)	(1.1)	(0.6)	(0.7)
Impairments	0.0	(9.6)	(1.7)			
Associates	(0.0)	(0.8)	0.0			
<b>PBT</b>	<b>(16.5)</b>	<b>(32.5)</b>	<b>(17.3)</b>	<b>(11.0)</b>	<b>13.2</b>	<b>24.8</b>
Accounting tax	3.4	5.2	5.1	3.3	(4.0)	(7.4)
<b>NPAT</b>	<b>(13.1)</b>	<b>(27.3)</b>	<b>(12.2)</b>	<b>(7.7)</b>	<b>9.3</b>	<b>17.3</b>
Minority interests	(0.5)	(0.3)	(0.6)	0.0	0.0	0.0
<b>Profit to owners of BFC</b>	<b>(12.6)</b>	<b>(27.0)</b>	<b>(11.6)</b>	<b>(7.7)</b>	<b>9.3</b>	<b>17.3</b>
EPS (¢)	(2.8)	(6.1)	(2.5)	(1.1)	1.1	2.0
DPS (¢)	0.0	0.0	0.0	0.0	0.0	0.0

Source: MST Access, Company data

## Cash flow forecasts

We have assumed capital expenditure is at the top of the company's guidance of \$24m-\$29m, spread over the next two years as well as stay in business capex of ~\$1.6m p.a. going forward.

Based on our forecasts we see BFC remaining in a net cash position over the next two years before being in a material net cash position in FY23.

Figure 7 – Beston Global Food Forecast Cash Flow Statement

A\$m	FY18	FY19	FY20	FY21E	FY22E	FY23E
EBITDA	(15)	(19)	(11)	(7)	18	29
Change in working capital / Other	(15)	11	(1)	(1)	(1)	(1)
<b>OCF - pre interest &amp; tax</b>	<b>(30)</b>	<b>(8)</b>	<b>(12)</b>	<b>(8)</b>	<b>17</b>	<b>28</b>
Cash interest earned	0	0	0	(0)	0	0
Cash interest paid	(0)	(2)	(2)	(1)	(1)	(1)
Tax Paid	0	0	0	0	0	(2)
<b>Operating cash flow (OCF)</b>	<b>(30)</b>	<b>(9)</b>	<b>(14)</b>	<b>(9)</b>	<b>16</b>	<b>25</b>
Maintenance capex	(1)	(1)	(2)	(2)	(2)	(2)
Capital expenditure	(12)	(11)	(4)	(15)	(14)	(1)
Acquisitions / Investments	(1)	(1)	(1)	0	0	0
Divestments	2	1	9	40	0	0
Other investing cash flow	(4)	0	0	0	0	0
<b>Net investing</b>	<b>(17)</b>	<b>(13)</b>	<b>3</b>	<b>23</b>	<b>(16)</b>	<b>(3)</b>
Net movement in equity	0	0	12	17	0	0
Cash dividends paid	0	0	0	0	0	0
Debt draw down	21	20	12	0	0	0
Debt repayments	0	0	(5)	(26)	(10)	(5)
Other financing cash flow	1	0	0	(1)	0	0
<b>Net financing</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>(10)</b>	<b>(10)</b>	<b>(5)</b>
Change in cash	(25)	(2)	9	4	(10)	18
<b>Cash beginning</b>	<b>29</b>	<b>4</b>	<b>2</b>	<b>11</b>	<b>15</b>	<b>5</b>
Foreign exchange movements	0	(0)	(0)	0	0	0
<b>Cash end</b>	<b>4</b>	<b>2</b>	<b>11</b>	<b>15</b>	<b>5</b>	<b>23</b>
<b>Net Debt / (Cash)</b>	<b>17</b>	<b>39</b>	<b>39</b>	<b>9</b>	<b>8</b>	<b>(14)</b>

Source: MST Access, Company data

## Beston Global Food Valuation

Our base case 12 month forward discounted cash flow valuation has lifted from \$0.21 to \$0.31 reflecting the increased lactoferrin production capacity and adjusting for the additional shares on issue post the recent entitlement offer and the forecast shares to be issued upon termination of the IMA.

BFC currently has a FactSet two-year equity beta of 0.01.

We have chosen a two-year equity beta of 0.70 being the average of what we believe are the most comparable companies on the ASX being Clover corporation (0.75) and Bega Cheese (0.64).

Figure 8 – Beston Global Food Discounted Cash Flow Valuation

Sum of discounted forecast cash flows	98.0	Target Debt / Enterprise Value Ratio	20.0%
Nominal long run growth rate	2.5%	Statutory Tax Rate	30.0%
Discounted terminal value	166.5		
<b>Enterprise Value</b>	<b>264.5</b>	<b>Equity Beta</b>	<b>0.70</b>
Less: Net debt	(8.5)	Expected Market Return	10.0%
Assumed option exercise at valuation price	0.0	Cost of Equity	8.2%
<b>Total Equity value</b>	<b>255.9</b>		
FY21 diluted shares on issue	843.5	Risk Free Rate	4.0%
Issuance for IMA termination	21.1	Debt Premium	3.0%
Share issue count for valuation	864.6	Cost of Debt	7.0%
<b>FY21 Value per share</b>	<b>0.30</b>	<b>WACC</b>	<b>7.5%</b>

Source: MST Access

Rolling forward 12 months we get a 12-month forward valuation of \$0.31 in February 2022.

Figure 9 – Beston Global Food Discounted Cash Flow Valuation rolling forward

\$	Jun-21	Feb-22	Jun-22	Feb-23	Jun-23	Feb-24
<b>Value per share</b>	0.29	<b>0.31</b>	0.32	<b>0.33</b>	0.34	<b>0.36</b>

Source: MST Access

## Sensitivity

We table below our valuation sensitivity to different equity betas and assumed terminal rate assumptions.

Figure 10 – Beston Global Food Discounted Cash Flow Valuation Sensitivity

		Equity beta						
		0.40	0.50	0.60	0.70	0.80	0.90	1.00
Terminal growth	0.00%	\$0.30	\$0.27	\$0.25	\$0.23	\$0.22	\$0.20	\$0.19
	0.50%	\$0.31	\$0.28	\$0.26	\$0.24	\$0.22	\$0.21	\$0.19
	1.00%	\$0.33	\$0.30	\$0.27	\$0.25	\$0.23	\$0.22	\$0.20
	1.50%	\$0.36	\$0.32	\$0.29	\$0.26	\$0.24	\$0.22	\$0.21
	2.00%	\$0.38	\$0.34	\$0.31	\$0.28	\$0.25	\$0.23	\$0.22
	2.50%	\$0.42	\$0.37	\$0.33	<b>\$0.30</b>	\$0.27	\$0.25	\$0.23
	3.00%	\$0.47	\$0.41	\$0.36	\$0.32	\$0.29	\$0.26	\$0.24
	3.50%	\$0.54	\$0.46	\$0.39	\$0.34	\$0.31	\$0.27	\$0.25

Source: MST Access

## Comparable company multiples

We believe Clover Corporation and Bega Cheese are the most comparable listed companies listed in Australia.

As can be noted below if BFC reports in line with our forecasts it is trading sub 6 times FY22 earnings per share and a FY22 EV/EBITDA multiple of ~3 times. This would have it trading at a material discount to its closest local peers being Bega Cheese (BGA-AU) and Clover Corporation (CLV-AU) (see Figure 10).

Figure 11 – Beston Global Food Comparative company multiples

Company	Ticker	Price (LC)	Mkt Cap (A\$M)	PE FY1	PE FY2	EV/EBITDA (FY0)	EV/EBITDA (FY1)	EV/EBITDA (FY2)
a2 Milk Company Ltd.	A2M	10.47	7,762	30.1x	24.3x	11.5x	19.3x	16.1x
Bega Cheese Limited	BGA	5.79	1,606	36.5x	20.0x	20.0x	11.1x	6.9x
Clover Corporation Limited	CLV	1.45	241	17.9x	15.6x	13.0x	12.5x	10.9x
<b>Average</b>				<b>28.2x</b>	<b>20.0x</b>	<b>14.8x</b>	<b>14.3x</b>	<b>11.3x</b>
<b>Bega / Clover</b>				<b>27.2x</b>	<b>17.8x</b>	<b>16.5x</b>	<b>11.8x</b>	<b>8.9x</b>
<b>Beston Global Food</b>	<b>BFC</b>			<b>n/m</b>	<b>6.4x</b>	<b>n/m</b>	<b>3.8x</b>	<b>1.5x</b>
<b>Minimum</b>				<b>17.9x</b>	<b>15.6x</b>	<b>11.5x</b>	<b>11.1x</b>	<b>6.9x</b>

Source: FactSet (9 February 2021), MST Access

## Lactoferrin – The Earnings Growth driver

BFC made a decision in 2016 to acquire a dairy nutraceutical plant which had been built by an Australian public company (Australian Probiotics Ltd) adjacent to BFC’s dairy factory at Jervois, South Australia.

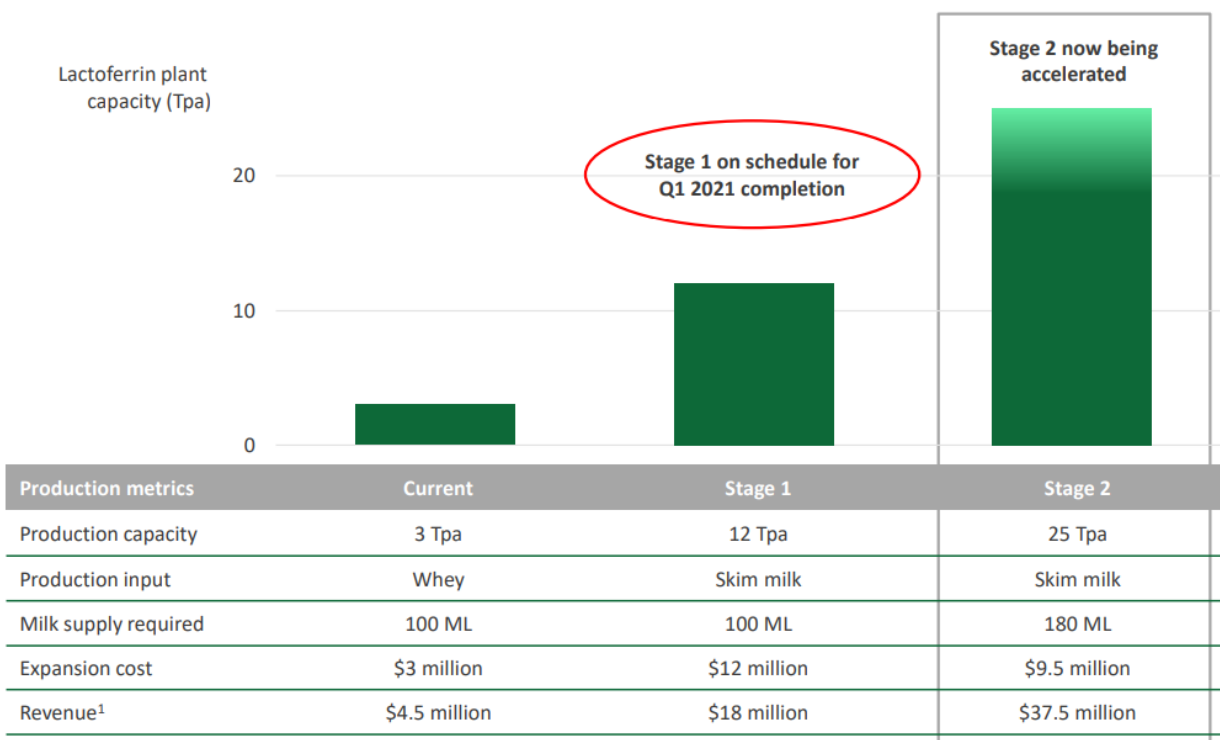
BFC acquired the plant at a fraction of its original cost. It was then effectively “moth balled” after acquisition until such time as the new mozzarella plant was installed and sufficient whey liquid feedstock was being produced (as a by-product of cheese production) to operate the plant efficiently.

BFC re-started the dairy nutraceutical plant in 2019 following the commissioning of the mozzarella plant and commenced the production of high value Lactoferrin. In order to rectify some operational issues apparent when operating the plant in the early months of 2020, BFC upgraded the plant and installed new resin so as to take the production of Lactoferrin to circa 3 tpa, with consistently higher levels of purity and quality.

Following the two capital raises BFC will now take lactoferrin production capacity to 25 tpa.

Figure 12 – BFC lactoferrin production now to reach 25 tpa given capital raise

### Expansion of lactoferrin production to potentially capture ~5% of the growing global market from FY22



Source: Company data

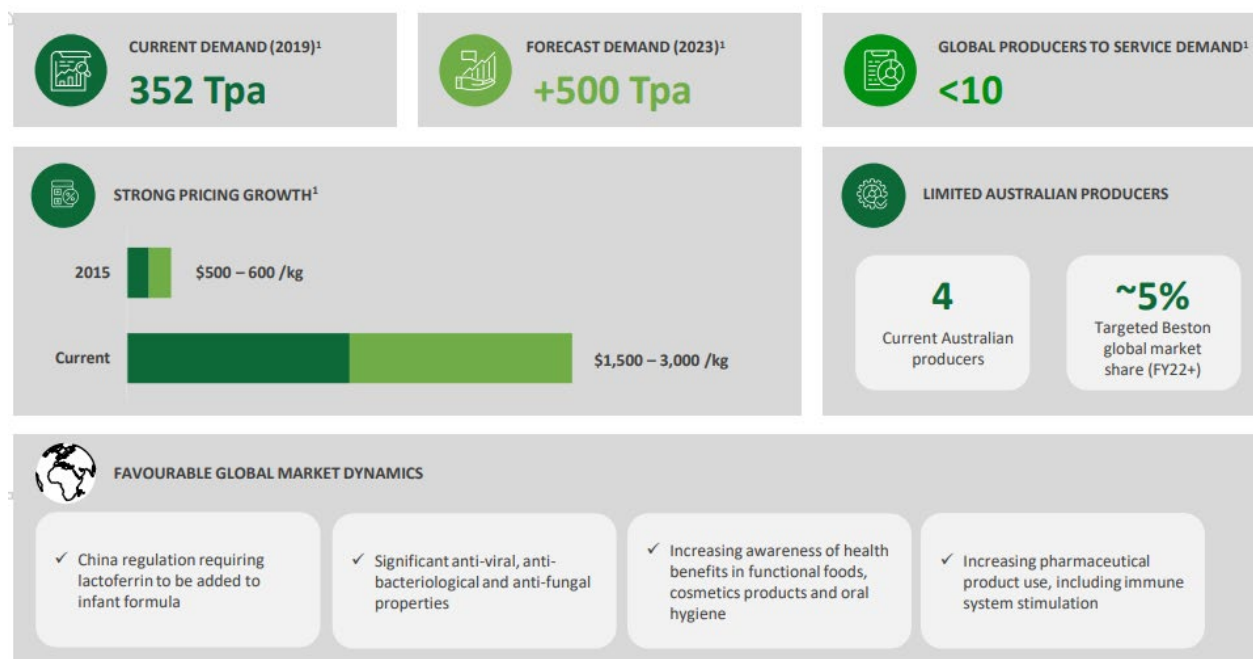
Lactoferrin has significant immune boosting and immune modulating properties, including anti-bacterial, anti-viral, anti-parasitic, and anti-allergic functions. The clinical significance of Lactoferrin has been established in numerous medical and scientific studies over the past 40 years (since it was first extracted from milk in 1961).

Since commissioning, BFC has added a freeze drying and milling facility (which was not part of the original plant acquired), thereby enabling Lactoferrin to be delivered to customers in final product, powder form.

Lactoferrin has a high global demand and commands high prices with high margins. It is one of some 20 proteins known to exist in milk along with many vitamins and minerals including calcium, potassium, phosphorus, iodine, and Vitamin B2 and Vitamin B12.

The global demand for (consumption of) Lactoferrin was 351.5 MT in 2019, around 50% of which was from Japan. The global price of Lactoferrin has increased by around ten-fold since 2015.

Figure 13 – Lactoferrin demand forecast to grow supporting strong pricing



1. Source: Strategic Insights into the Global Lactoferrin and Lactoferoxidase Market, UBC Consulting 2020

Source: Company data

A recent study (2020) undertaken by UBC Consulting concluded that “the market for Lactoferrin is just starting”. This is because:

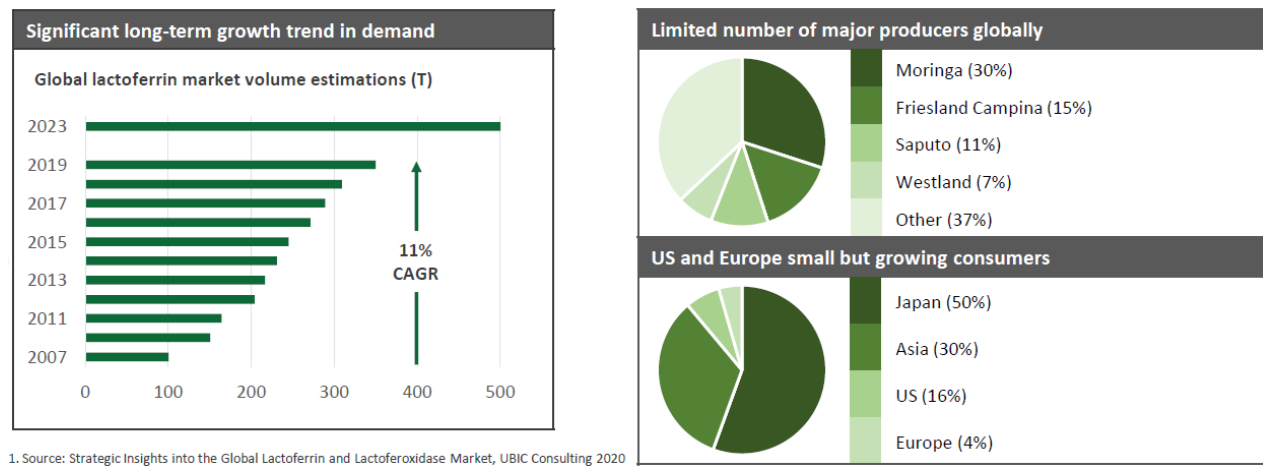
- China changed its quarantine rules in 2017 to allow Lactoferrin to be added to infant formula. As a result, Infant Milk Formula (IMF) which has Lactoferrin added is seen as being a superior product and commands a premium price. The study found that Lactoferrin from Australia and NZ is preferred by Chinese buyers, followed by Europe and then the US.
- While Lactoferrin has been authorized as a novel food ingredient in Europe for some time, it was only authorized as such in the USA in 2012.
- There is increasing awareness of the benefits of Lactoferrin in cosmetic and oral hygiene products, as well as in functional foods on the back of demographic and health care trends.
- Lactoferrin is increasingly being used in pharmaceutical products, especially in drugs used for immune system stimulation, health intestinal flora and as a carrying agent for some new cancer drugs (i.e. immuno-oncology drugs which enlist a patient’s immune system in the fight against cancer cells).

The UBC study concludes that the demand for Lactoferrin post COVID-19 could jump by greater than 50% or 200 tpa by 2023.

The increasing interest of China in Lactoferrin in recent years may well explain much of the activity by Chinese companies in this space in Australia and NZ. For example, the largest Chinese Dairy company, Yili Group acquired the loss-making Westland Cooperative Dairy Co Ltd in August last year. Westland produces 10 t of Lactoferrin p.a.

BFC has determined that demand for lactoferrin is growing at a CAGR of 11% p.a. and demand may hit 500 t by 2023.

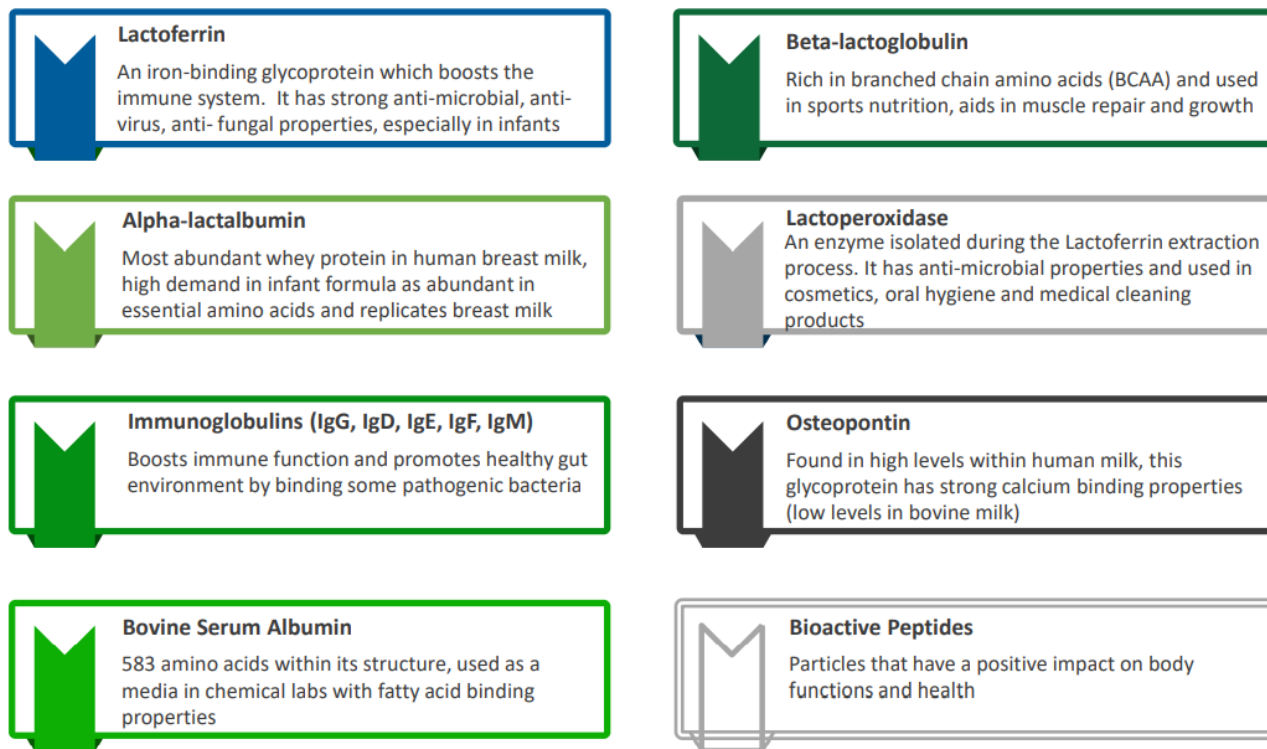
Figure 14 – Lactoferrin demand forecast to hit 500 tpa by 2023



Source: Company data

The dairy protein market is one of the most valuable markets in the dairy industry with naturally based dairy proteins (e.g. Lactoferrin, immunoglobulins, galacto-oligosaccharides etc) used in a range of applications in the health, nutrition and pharmaceutical industries including infant formula, adult formula (e.g. Sustagen), dietary supplements and a wide range of medicines.

Figure 14 – BFC will look to extract other whey proteins going forward



Source: Company data

BFC management believes the contribution from the lactoferrin expansion to gross margins is significant (around 70% to 80%). Increasing the production of Lactoferrin will therefore add significantly to the overall profitability of the dairy factory and the bottom-line results of BFC.

## Management Agreement

BFC is currently managed through an Investment Management Agreement (IMA) with Beston Pacific Asset Management (BPAM). The management fee is based on a fixed fee of 1.2% pa of the gross portfolio value (GPV) of BFC. In FY20 BFC reported a management expense of \$2.3m implying a GPV of ~\$192m.

The fee was intended to meet the costs of the BFC senior management team and allow BFC to establish itself over the initial five-year period of the business plan.

Under the terms of the IMA, BPAM is also entitled to a performance fee based on the market capitalisation of BFC and the performance of the BFC share price relative to the ASX All Ordinaries Accumulation Index (XAOAI), noting under performance has to be recovered before a fee is paid. The performance fee is calculated - Market capitalisation BFC \* Outperformance \* 17.5%, where “out performance” is BFC total stock return less XAOAI return.

BFC has announced an internalisation of the investment management agreement (IMA) removing Beston Pacific Asset Management as manager (forecast to complete in August 2021 assuming shareholders approve the proposal to be voted on at an EGM on the 28<sup>th</sup> May 2021).

The termination fee of \$5.6m will be payable in two tranches, a cash payment of \$1.13m and 21.125m BFC shares. At pre-announcement share price (\$0.087), the implied value of the termination fee was \$3.0m.

## Board changes

Over the last six months the Board has seen some changes.

Jim Kouts and Catherine Cooper have left the Board.

**Mr Neil Longstaff** joined the BFC Board as a Non-Executive Director, effective 1 January, 2021. Neil has had an extensive career across a wide range of food categories. He has spent more than 20 years working at executive level and consulting within the dairy industry, including roles as Chief Executive Officer of Kyvalley Dairy Group and General Manager, Commercial Group with Murray Goulburn Co-operative. His broad commercial experience in the dairy industry has encompassed both branded and commodity products within domestic and export markets. Prior to his career in the dairy industry, Neil held marketing and sales roles with major companies including Lanes Biscuits, SPC, Heinz, Nabisco and Nicholas Kiwi. He holds a Bachelor of Business - Marketing (Monash University/CIT Caulfield) and a Graduate Certificate in Management (Monash Mt Eliza Business School). He is a Graduate of the Australian Institute of Company Directors.

**Ms Joanna Andrew** joined the Board as a Non-Executive Director of the Company effective from 7 December 2020. Joanna is a practicing lawyer with a successful South Australian Commercial law firm and specialises in the areas of agriculture and logistics. Her professional qualifications include a Bachelor of Laws with Honours, Adelaide University and a Bachelor of Health Sciences, Adelaide University. She has specific expertise and experience in Governance, Corporate Law, Board Advisory, Risk, Workplace Investigations, Strategy and Business Development. Joanna is currently Chair, South Australian Produce Market Limited and was formerly Chair of Wine Grape Growers Australia and Chair of their Audit, Finance and Risk Committee. She was recognised in 2017 as one of South Australia’s leading young business entrepreneurs in the inaugural InDaily 40under40 awards which were set up to celebrate the passion, vision and achievements of South Australia’s leading business people aged under 40. Joanna was a Non-Executive Director of Crime Stoppers SA for a period of four years and Chairman of the Crime Stoppers SA Governance Committee.



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