

13 February 2024

ASX Market Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
Sydney NSW 2000

**Breville Group Limited – Half Year Ended 31 December 2023  
Appendix 4D and Half Year Report**

Attached are the Breville Group Limited Appendix 4D and Half Year Report for the half year ended 31 December 2023.

The release of this announcement was authorised by the Board.

Yours faithfully



Sasha Kitto and Craig Robinson  
Joint Company Secretaries

## Breville Group Limited

ABN 90 086 933 431

### Appendix 4D: Half-Year Report

Note: The numbering marked with [ ] within this preliminary final report is consistent with the numbering used in the guidelines issued by the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2 A.

Current reporting period [1]: half-year ended 31 December 2023

Previous corresponding period [1]: half-year ended 31 December 2022

### Results for announcement to the market

	Percentage change Up or Down	%	Amount A\$'000
Total sales revenue [2.1]	Up	2.0%	to 905,832
Earnings before interest, tax, depreciation & amortisation (EBITDA)	Up	12.2%	to 159,238
Earnings before interest and tax (EBIT)	Up	8.2%	to 131,011
Net profit after income tax for the year attributable to members [2.2] [2.3]	Up	6.7%	to 83,970

Dividends [2.4]	Date paid / payable [5]	Amount per security [2.4]	Franked amount per security [2.4]	Amount per security of foreign source dividend [5]
<b>Interim dividend</b>				
Current reporting period	28 MAR 24	16.00	16.00	-
Previous corresponding period	27 MAR 23	15.00	15.00	-

Ex-dividend date for the interim dividend: 14 March 2024

The Record date for determining entitlements to the interim dividend [2.5]: 15 March 2024

#### Dividend reinvestment plan [6]

The dividend reinvestment plan will not be in operation for the current reporting period interim dividend.

#### Brief explanation [2.6]

Please refer to the commentary in the review of results and operations section of the Directors' Report.

For further explanation please refer to the ASX Results Announcement accompanying this Half-Year Report.

#### Net tangible assets [3]

	Current period cents per security	Previous corresponding period cents per security
Net tangible assets per security	296.33	244.80

#### Control gained or lost over entities [4]

The Group has not gained or lost control of any entities during the half-year ended 31 December 2023.

**BRG**GROUP

## Breville Group Limited

ABN 90 086 933 431

### Appendix 4D: Half-Year Report

#### Total dividend paid / payable [5]

	Current period A\$'000	Previous corresponding period A\$'000
Final dividend paid	22,231	21,417
Interim dividend payable / paid	22,948	21,417
	<b>45,179</b>	<b>42,834</b>

#### Associates and joint venture entities [7]

The Group held no interests in associates or joint ventures during the half-year ended 31 December 2023.

#### For foreign entities, which set of accounting standards are used in compiling the report [8]

Not applicable.

#### Compliance statement

The results for announcement to the market should be read in conjunction with the attached Half-Year Report for the half-year ended 31 December 2023 and the 2023 Annual Report.

This report is based on the Consolidated Financial Statements for the half-year ended 31 December 2023 which have been reviewed by PricewaterhouseCoopers.<sup>[9]</sup>

# Breville Group Limited

ABN 90 086 933 431

## Half-Year Report

FOR THE HALF-YEAR ENDED

31 December 2023

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## Corporate Information

This Half-Year Report covers the consolidated entity comprising Breville Group Limited and its subsidiaries (Company or Group).

A description of the Group's operations and of its principal activities is included in the review of results and operations and principal activities in the Directors' Report on page 6. The Directors' Report does not form part of the financial report.

### Directors

Timothy Antonie  
*Non-executive Chair*

Lawrence Myers  
*Non-executive Deputy Chair and Lead Independent Director*

Jim Clayton  
*Managing Director and CEO*

Tim Baxter  
*Non-executive Director*

Peter Cowan  
*Non-executive Director*

Sally Herman  
*Non-executive Director*

Dean Howell  
*Non-executive Director*

Tuula Ryttilä  
*Non-executive Director*

Kate Wright  
*Non-executive Director*

### Company secretaries

Sasha Kitto

Craig Robinson

### ABN

Breville Group Limited ABN 90 086 933 431

### Registered office and principal place of business

170-180 Bourke Road  
Alexandria NSW 2015  
(+61 2) 9384 8100

## Corporate Information continued

### Share register

Boardroom Pty Limited  
Level 8, 210 George St  
Sydney NSW 2000

Enquiries within Australia: 1300 737 760  
Enquiries outside Australia: (+61 2) 9290 9600  
Website: [www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

### Auditors

PricewaterhouseCoopers  
One International Towers Sydney  
Watermans Quay  
Barangaroo NSW 2000

### Bankers

Australia and New Zealand Banking Group Limited  
242 Pitt Street  
Sydney NSW 2000

### Company websites

[brevillegroup.com](http://brevillegroup.com)  
[breville.com](http://breville.com)  
[kambrook.com.au](http://kambrook.com.au)  
[sageappliances.com](http://sageappliances.com)  
[chefsteps.com](http://chefsteps.com)  
[baratza.com](http://baratza.com)  
[beanz.com](http://beanz.com)  
[lelit.com](http://lelit.com)

## Directors' Report

The Board of Breville Group Limited (Company) has pleasure in submitting its report in respect of the Group for the half-year ended 31 December 2023.

### Directors

The following persons held office as Directors of Breville Group Limited during the financial period:

Timothy Antonie	Non-executive Chair
Lawrence Myers	Non-executive Deputy Chair and Lead Independent Director
Jim Clayton	Managing Director and CEO
Tim Baxter	Non-executive Director
Peter Cowan	Non-executive Director
Sally Herman	Non-executive Director
Dean Howell	Non-executive Director
Tuula Ryttilä	Non-executive Director
Kate Wright	Non-executive Director

### Review of results and operations

Revenues of the Group for the half-year to 31 December 2023 were \$905,832,000 (half-year to 31 December 2022: \$887,997,000), an increase of 2.0% on the previous corresponding period (pcp). This was a record revenue half for the Group against a challenging backdrop.

In a low revenue growth period, gross profit grew by 6.7%, or \$20,775,000, as savings in input costs were partially reinvested in promotional activities and gross margin % grew to 36.7% (pcp: 35.1%). Approximately fifty percent of this gross profit growth was absorbed in increased operating expenses, which grew by 5.7%, and the other fifty percent flowed through to EBIT which grew by 8.2% to \$131,011,000 (pcp: \$121,108,000).

NPAT grew 6.7% to \$83,970,000 (pcp: \$78,719,000) due to higher interest rates impacting borrowing costs during peak season.

The basic earnings per share for the Group was 58.6 cents per share (pcp: 55.8 cents per share).

As forecast, the Group's inventory holding reduced to \$379,953,000 at 31 December 2023 (\$465,244,000 in the pcp). This was delivered through measured purchase reductions, rather than discounting, with gross margins strengthening during the period. Led by inventory reduction, net debt has fallen to \$97,539,000 (pcp: \$212,176,000).

For further information please refer to the Results Announcement and the Investor Presentation for the half-year ended 31 December 2023.

### Principal activities

During the half-year, the principal activities of the consolidated entity were the innovation, development, marketing and distribution of small electrical appliances through two distinct business models as follows:

The 'Global Product' segment sells premium products designed and developed by the Group that are sold directly or through third parties, and may be branded Breville®, Sage®, Baratza®, LELIT® or other Group owned brands.

The 'Distribution' segment sells products that are designed and developed by a third party and are distributed pursuant to a license or distribution agreement or are sourced directly from manufacturers. Products in this business unit may be sold under a brand owned by the Group (e.g. Breville®, Kambrook®), or may be distributed under a third-party brand (e.g. Nespresso®).

## Directors' Report continued

### Rounding of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Corporations (Rounding in Financial/Directors Reports) Instrument 2016/191. The Company is an entity to which the Instrument applies.

### Auditor's Independence Declaration

Attached on page 23 is a copy of the Auditor's Independence Declaration provided under section 307C of the Corporations Act 2001 in relation to the review for the half-year ended 31 December 2023. This Auditor's Independence Declaration forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



Timothy Antonie  
Non-executive Chair

Sydney  
13 February 2024



# Consolidated Statement of Comprehensive Income

For the half-year ended 31 December 2023

	Notes	Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000
Revenue		905,832	887,997
Cost of sales		(573,791)	(576,731)
<b>Gross profit</b>		<b>332,041</b>	<b>311,266</b>
Other income		135	265
Employee benefits expenses	3	(105,220)	(101,227)
Premises and utilities expenses		(7,569)	(7,324)
Advertising and marketing expenses	3	(30,041)	(28,610)
Other expenses	3	(30,108)	(32,484)
<b>Earnings before interest, tax, depreciation &amp; amortisation (EBITDA)</b>		<b>159,238</b>	<b>141,886</b>
Depreciation and amortisation expense	3	(28,227)	(20,778)
<b>Earnings before interest &amp; tax (EBIT)</b>		<b>131,011</b>	<b>121,108</b>
Finance costs	10	(13,683)	(10,687)
Finance income	10	842	208
<b>Profit before income tax</b>		<b>118,170</b>	<b>110,629</b>
Income tax expense		(34,200)	(31,910)
<b>Net profit after income tax for the half-year attributable to members of Breville Group Limited</b>		<b>83,970</b>	<b>78,719</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Net change in fair value of cash flow hedges	6	(8,852)	(5,839)
Foreign currency translation differences		(10,889)	7,851
Income tax on other comprehensive income		6,110	1,721
<b>Other comprehensive income for the period, net of tax</b>		<b>(13,631)</b>	<b>3,733</b>
Total comprehensive income for the period is attributable to:			
Owners of Breville Group Limited		70,339	82,452
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the Company:</b>			
Basic earnings per share		58.6	55.8
Diluted earnings per share		58.2	55.5

The accompanying notes form an integral part of this Consolidated Statement of Comprehensive Income.

## Consolidated Statement of Financial Position

For the half-year ended 31 December 2023

		31 December 2023 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
	Notes			
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	146,170	84,155	115,199
Trade and other receivables		449,803	276,753	388,835
Inventories		379,953	439,633	465,244
Current tax receivables		2,280	4,366	269
Derivative financial instruments	6	7,133	14,200	12,204
Other financial assets	6	4,437	1,711	2,173
<b>Total current assets</b>		<b>989,776</b>	<b>820,818</b>	<b>983,924</b>
<b>Non-current assets</b>				
Property, plant and equipment	7	60,779	53,766	45,032
Deferred tax assets		38,945	29,112	20,257
Right-of-use assets		71,361	69,968	73,861
Intangible assets	8	400,771	399,028	388,164
Derivative financial instruments		-	-	6,779
Other financial assets	6	-	2,160	2,068
<b>Total non-current assets</b>		<b>571,856</b>	<b>554,034</b>	<b>536,161</b>
<b>Total assets</b>		<b>1,561,632</b>	<b>1,374,852</b>	<b>1,520,085</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables		333,740	261,336	303,766
Lease liabilities		20,888	19,777	19,056
Current tax liabilities		19,423	6,285	12,638
Borrowings	5	102,068	3,245	80,993
Provisions		34,669	29,699	35,399
Derivative financial instruments	6	1,471	1,430	1,166
<b>Total current liabilities</b>		<b>512,259</b>	<b>321,772</b>	<b>453,018</b>
<b>Non-current liabilities</b>				
Trade and other payables		-	-	9,165
Borrowings	5	141,641	202,200	246,382
Lease liabilities		56,089	55,272	59,640
Deferred tax liabilities		21,704	22,155	10,596
Provisions		4,152	3,794	3,635
<b>Total non-current liabilities</b>		<b>223,586</b>	<b>283,421</b>	<b>329,418</b>
<b>Total liabilities</b>		<b>735,845</b>	<b>605,193</b>	<b>782,436</b>
<b>Net assets</b>		<b>825,787</b>	<b>769,659</b>	<b>737,649</b>
<b>EQUITY</b>				
<b>Equity attributable to equity holders of Breville Group Limited</b>				
Issued capital	9	400,993	385,541	385,541
Other reserves		18,274	39,337	17,399
Retained earnings		406,520	344,781	334,709
<b>Total equity</b>		<b>825,787</b>	<b>769,659</b>	<b>737,649</b>

The accompanying notes form an integral part of this Consolidated Statement of Financial Position.

## Consolidated Cash Flow Statement

For the half-year ended 31 December 2023

	Notes	Half-year ended	
		31 December 2023 \$'000	31 December 2022 \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		815,693	732,901
Payments to suppliers and employees		(698,025)	(750,483)
Finance costs paid		(13,683)	(10,591)
Income tax paid		(23,163)	(28,366)
Finance income received		842	208
<b>Net cash inflow/(outflow) from operating activities</b>		<b>81,664</b>	<b>(56,331)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(14,602)	(8,110)
Proceeds from sale of property, plant and equipment		224	-
Development of intangible assets	8	(16,768)	(15,696)
Acquisition of subsidiary, net of cash acquired		-	(79,647)
<b>Net cash outflow from investing activities</b>		<b>(31,146)</b>	<b>(103,453)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		180,397	316,549
Repayment of borrowings		(136,772)	(181,399)
Principal elements of lease payments		(10,302)	(8,550)
Equity dividends paid	4(a)	(22,231)	(21,417)
<b>Net cash inflow from financing activities</b>		<b>11,092</b>	<b>105,183</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the half-year		84,155	168,256
Net foreign exchange difference		405	1,544
<b>Cash and cash equivalents at end of the half-year</b>	5	<b>146,170</b>	<b>115,199</b>

The accompanying notes form an integral part of this Consolidated Cash Flow Statement.

# Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Notes	Issued capital \$'000	Foreign currency translation \$'000	Employee equity benefits reserve \$'000	Cash flow hedges \$'000	Retained earnings \$'000	Total \$'000
<b>2023</b>							
<b>At 1 July 2023</b>		385,541	34,526	(4,128)	8,939	344,781	769,659
Foreign currency translation reserve		-	(10,889)	-	-	-	(10,889)
Cash flow hedges		-	-	-	(8,852)	-	(8,852)
Income tax on items taken directly to equity		-	-	3,455	2,655	-	6,110
<b>Total other comprehensive income for the half-year</b>		-	(10,889)	3,455	(6,197)	-	(13,631)
Profit for the half-year		-	-	-	-	83,970	83,970
Total comprehensive income for the half-year		-	(10,889)	3,455	(6,197)	83,970	70,339
<b>Transactions with owners in their capacity as owners:</b>							
Dividends paid	4	-	-	-	-	(22,231)	(22,231)
Ordinary shares issued for Performance Rights Plan (LTI) and Fixed Deferred Remuneration Plan, net of transaction costs and tax	9	15,452	-	(15,481)	-	-	(29)
Ordinary shares acquired by the Trustee of the Breville Group Performance Share Plan Transferred to participants of the Performance Rights Plan (LTI) and Fixed Deferred Remuneration Plan		(14,802)	-	-	-	-	(14,802)
Share-based payments		14,802	-	-	-	-	14,802
		-	-	8,049	-	-	8,049
<b>At 31 December 2023</b>		400,993	23,637	(8,105)	2,742	406,520	825,787

The accompanying notes form an integral part of this Consolidated Statement of Changes in Equity.

## Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2023

	Notes	Issued capital \$'000	Foreign currency translation \$'000	Employee equity benefits reserve \$'000	Cash flow hedges \$'000	Retained earnings \$'000	Total equity \$'000
<b>2022</b>							
<b>At 1 July 2022</b>		323,165	7,540	(10,255)	16,560	277,407	614,417
Foreign currency translation reserve		-	7,851	-	-	-	7,851
Cash flow hedges		-	-	-	(5,839)	-	(5,839)
Income tax on items taken directly to equity		-	-	(30)	1,751	-	1,721
<b>Total other comprehensive income for the half-year</b>		-	7,851	(30)	(4,088)	-	3,733
Profit for the half-year		-	-	-	-	78,719	78,719
<b>Total comprehensive income for the half-year</b>		-	7,851	(30)	(4,088)	78,719	82,452
Dividends paid	4	-	-	-	-	(21,417)	(21,417)
Ordinary shares issued on acquisition of Lelit Srl, net of transaction costs		55,703	-	-	-	-	55,703
Ordinary shares issued for Performance Rights Plan (LTI) and Fixed Deferred Remuneration Plan, net of transaction costs and tax	9	6,673	-	(6,690)	-	-	(17)
Ordinary shares acquired by the Trustee of the Breville Group Performance Share Plan Transferred to participants of the Performance Rights Plan (LTI) and Fixed Deferred Remuneration Plan		(6,093)	-	-	-	-	(6,093)
Share-based payments		6,093	-	-	-	-	6,093
		-	-	6,511	-	-	6,511
<b>Balance at 31 December 2022</b>		<b>385,541</b>	<b>15,391</b>	<b>(10,464)</b>	<b>12,472</b>	<b>334,709</b>	<b>737,649</b>

The accompanying notes form an integral part of this Consolidated Statement of Changes in Equity.

# Notes to the Half-Year Report

For the half-year ended 31 December 2023

## Note 1. Basis of preparation of Half-Year Report

### (a) Corporate information

This financial report covers the consolidated entity comprising Breville Group Limited and its subsidiaries (Company or Group) for the half-year ended 31 December 2023. This financial report was authorised for issue in accordance with a resolution of the Directors on 13 February 2024. Breville Group Limited is a for profit Company limited by shares incorporated in Australia. Breville Group Limited shares are quoted on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

### (b) Summary of significant accounting policies

The Half-Year Consolidated Financial Report does not include all notes of the type normally included within the Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full Annual Financial Report.

The Half-Year Report should be read in conjunction with the Annual Financial Report of Breville Group Limited for the year ended 30 June 2023.

It is also recommended that the Half-Year Report be considered together with any public announcements by Breville Group Limited and its controlled entities during the half-year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Where necessary, comparatives have been reclassified and repositioned for consistency with current half-year and full-year disclosures. In the comparative period to 31 December 2022, other logistics costs are included within Other expenses (previously Premises and Utilities expenses) for consistency with half-year to 31 December 2023 and full-year to 30 June 2023 disclosures.

#### (i) Basis of accounting

The Half-Year Consolidated Financial Report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*. The Half-Year Financial Report has been prepared on a historical cost basis, except for derivative financial instruments and non-current other payables which have been measured at fair value.

The amounts contained in this report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this applies.

#### (ii) Significant accounting policies

The accounting policies adopted in the preparation of the Half-Year Consolidated Financial Statements are consistent with those followed in the preparation of the Group's Annual Consolidated Financial Statements for the year ended 30 June 2023.

#### (iii) Basis of consolidation

The Half-Year Consolidated Financial Statements comprise the financial statements of Breville Group Limited and its subsidiaries as at 31 December 2023 (the Group).

### (c) Seasonality of operations

The financial performance of the Group is exposed to seasonality in the volume of sales, such that the Company's financial performance is historically weighted in favour of the half-year to 31 December. This seasonality is a reflection of the additional retail sales generated during the holiday trading period each year. The seasonality in the volume of sales also generally results in a higher level of receivable and inventory balances at the half-year compared to year-end, usually resulting in a higher working capital requirement and lower operating cash flows at the half-year.

## Notes to the Half-Year Report continued

For the half-year ended 31 December 2023

## Note 1. Basis of preparation of Half-Year Report (continued)

## (d) New accounting standards and interpretations

## (i) Changes to accounting policy and disclosures

All accounting policies of the Group are consistent with those of the previous financial year. The Group adopted all other new and amended Australian Accounting Standards and Interpretations that became applicable during the current financial half-year. The adoption of other Standards and Interpretations did not have a significant impact on the Group's financial results or Statement of Financial Position.

## Note 2. Operating segments

The following tables present the revenue and gross profit information regarding operating segments for the half-year periods ended 31 December 2023 and 31 December 2022.

The Company's external reporting segments are 'Global Product' and 'Distribution'. The two segments reflect the two business models in the Company: (i) a global, innovation driven, product business, and (ii) a distribution business. For both business units, the geographic regions execute the sales, distribution and business development functions, supported by centralised functions including product development, marketing, operations, IT, finance and HR.

The 'Global Product' segment sells premium products designed and developed by the Group that are sold directly or through third parties, and may be branded Breville®, Sage®, Baratza®, LELIT® or other Group owned brands.

The 'Distribution' segment sells products that are designed and developed by a third party and are distributed pursuant to a license or distribution agreement or are sourced directly from manufacturers. Products in this business unit may be sold under a brand owned by the Group (e.g. Breville®, Kambrook®), or may be distributed under a third-party brand (e.g. Nespresso®).

	Half-year ended					
	31 December 2023			31 December 2022		
	Global Product \$'000	Distribution \$'000	Total \$'000	Global Product \$'000	Distribution \$'000	Total \$'000
<b>Segment revenue</b>	<b>782,838</b>	<b>122,994</b>	<b>905,832</b>	<b>770,454</b>	<b>117,543</b>	<b>887,997</b>
Cost of sales	(484,306)	(89,485)	(573,791)	(485,628)	(91,103)	(576,731)
<b>Gross Profit</b>	<b>298,532</b>	<b>33,509</b>	<b>332,041</b>	<b>284,826</b>	<b>26,440</b>	<b>311,266</b>
<b>GM%</b>	<b>38.1%</b>	<b>27.2%</b>	<b>36.7%</b>	<b>37.0%</b>	<b>22.5%</b>	<b>35.1%</b>
<b>Total Overhead expenses</b>	-	-	(201,030)	-	-	(190,158)
<b>EBIT</b>			<b>131,011</b>			<b>121,108</b>
Finance income			842			208
Finance costs			(13,683)			(10,687)
<b>Profit before income tax</b>			<b>118,170</b>			<b>110,629</b>

## Notes to the Half-Year Report continued

For the half-year ended 31 December 2023

## Note 2. Operating segments (continued)

## (a) Segment revenue

	Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000
<b>Global Product</b>		
Americas	450,278	450,718
EMEA	177,201	156,541
APAC	155,359	163,195
<b>Total Global Product revenue</b>	<b>782,838</b>	<b>770,454</b>

**Distribution**

All revenue is generated from Americas and APAC.

## Note 3. Expenses

Total Overhead expenses, including D&amp;A, increased by 5.7% or \$10,872,000 to \$201,030,000 (pcp: \$190,158,000).

Employee benefit expenses increased \$3,993,000 or +3.9%, to \$105,220,000, (pcp: \$101,227,000) primarily driven by wage inflation of the existing team with headcount being kept largely flat period on period.

Advertising and marketing expenses increased by \$1,431,000, or 5.0%, to \$30,041,000 (pcp: \$28,610,000).

D&amp;A expenses increased by \$7,449,000 to \$28,227,000 (pcp: \$20,778,000) led by an increase in the amortisation of capitalised development costs and software, the depreciation of tooling assets, and an increase in right of use asset depreciation on key warehouse leases.



## Notes to the Half-Year Report continued

For the half-year ended 31 December 2023

## Note 4. Dividends

	Half-year ended	
	31 December 2023	31 December 2022
	\$'000	\$'000
<b>(a) Dividends on ordinary shares paid during the half-year to equity holders</b>		
Final dividend for the financial year ended 30 June 2023 of 15.50 cents per share 100% franked (2022: Final dividend for the financial year 30 June 2022 of 15.00 cents per share 100% franked)		
<b>Final fully franked dividend based on tax paid at 30%</b>	<b>22,231</b>	<b>21,417</b>
<b>(b) Dividends proposed and not recognised as a liability to equity holders</b>		
Interim dividend for the period ending 31 December 2023 of 16.00 cents per share 100% franked (2022: Interim dividend for the period ending 31 December 2022 of 15.00 cents per share 100% franked)		
<b>Interim fully franked dividend based on tax paid at 30%</b>	<b>22,948</b>	<b>21,417</b>

## Note 5. Cash, Borrowings and Net Debt

## (a) Cash and cash equivalents

	31 December 2023	30 June 2023	31 December 2022
	\$'000	\$'000	\$'000
<b>For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following:</b>			
Cash at bank	146,170	84,155	115,199
<b>Total cash and cash equivalents, net</b>	<b>146,170</b>	<b>84,155</b>	<b>115,199</b>

## (b) Borrowings

Borrowings - Current	(102,068)	(3,245)	(80,993)
Borrowings - Non-current	(141,641)	(202,200)	(246,382)
<b>Total Borrowings</b>	<b>(243,709)</b>	<b>(205,445)</b>	<b>(327,375)</b>

## (c) Net cash / (debt)

Net cash / (debt)	(97,539)	(121,290)	(212,176)
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The Group has \$214,102,000 undrawn on ANZ bank facilities of \$450,000,000 as at 31 December 2023 and cash at bank of \$146,170,000.

## Notes to the Half-Year Report continued

For the half-year ended 31 December 2023

### Note 6. Financial assets and liabilities

#### (a) Financial instruments

During the half-year, the Group designated certain forward exchange contracts as hedges of highly probable forecasted purchases of inventory, principally in USD. The forecast purchases are expected to occur between 0-12 months from 31 December 2023. The terms of the forward exchange contracts have been negotiated to match the terms of the forecasted transactions. Consequently, the hedges were assessed to be highly effective. As of 31 December 2023, an unrealised loss of \$8,852,000 (pcp: \$5,839,000) is included in other comprehensive income.

These forward exchange contracts are initially recognised in the Statement of Financial Position at fair value and subsequently remeasured to their fair value. Accordingly, there is no difference between the carrying value and the fair value of these derivative financial instruments at reporting date.

The carrying value and estimated net fair values of the borrowings held with banks is assumed to approximate their fair value, being the amount at which the liability could be settled in a current transaction between willing parties.

#### (b) Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1 - quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2 - other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3 - techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

#### (c) Valuation technique

The forward exchange contracts are measured based on observable spot exchange rates, the yield curves of the respective currencies, as well as the currency basis spreads between the respective currencies.

### Note 7. Property, plant and equipment

During the half-year ended 31 December 2023, the Group invested \$14,602,000 (pcp: \$8,110,000 and \$8,002,000 acquired with Lelit Srl) in manufacturing equipment, land and buildings, in-store fixtures, and an increase in tooling. Depreciation of \$6,998,000 was expensed during the half-year (pcp: \$4,832,000).

### Note 8. Intangible assets

During the half-year ended 31 December 2023, the Group capitalised development costs and software of \$16,768,000 (pcp: \$15,696,000) and recognised an amortisation expense of \$10,209,000 (pcp: \$7,345,000).

## Notes to the Half-Year Report continued

For the half-year ended 31 December 2023

## Note 9. Issued capital

## (a) Issued Capital

	31 December 2023 \$'000	30 June 2023 \$'000	31 December 2022 \$'000
Ordinary shares – authorised, issued and fully paid	400,993	385,541	385,541
Ordinary shares – held by the Breville Group Employee Share Trust	-	-	-
<b>Total contributed equity</b>	<b>400,993</b>	<b>385,541</b>	<b>385,541</b>

## (b) Movements in ordinary shares:

Details	Consolidated 31 December 2023		Consolidated 31 December 2022	
	Number of shares	\$'000	Number of shares	\$'000
<b>Beginning of the year</b>	<b>142,781,365</b>	<b>385,541</b>	139,359,544	323,165
<b>Movements during the half-year</b>				
Ordinary shares issued during the year for Performance Rights Plan (LTI) and Fixed Deferred Remuneration Plan (net of transaction costs) (i)	643,983	15,452	321,616	6,673
Ordinary shares issued on acquisition of Lelit Srl (net of transaction costs) (ii)	-	-	3,100,205	55,703
<b>End of the half-year</b>	<b>143,425,348</b>	<b>400,993</b>	142,781,365	385,541

- (i) During the year the Group issued 643,983 fully paid ordinary shares (2022: 321,616) of Breville Group Limited as a result of the vesting of performance and fixed deferred remuneration rights issued under the Group's share plan. The average value attributable to these issued shares was \$24.04 (2022: \$20.80), as of the date of issue.
- (ii) In July 2022 the Group issued shares at \$17.99 per share as part of the consideration for the acquisition of Lelit Srl.

## Notes to the Half-Year Report continued

For the half-year ended 31 December 2023

## Note 10. Finance costs/income

	Half-year ended	
	31 December 2023 \$'000	31 December 2022 \$'000
Finance costs paid or payable on borrowings and bank overdrafts:		
Interest and borrowing costs	11,438	8,410
Interest on other payables – non-current (deferred consideration)	-	322
Interest on lease liabilities	2,245	1,955
Finance costs	13,683	10,687
Finance income	(842)	(208)
<b>Total net finance costs</b>	<b>12,841</b>	<b>10,479</b>

## Note 11. Contingencies

The Group had no contingent liabilities at 31 December 2023 (31 December 2022: nil).

## Note 12. Events occurring after the reporting period

There are no other matters or circumstances that have arisen since the end of the half-year that significantly affected or may affect the operations of the consolidated entity.

## Directors' Declaration

In accordance with a resolution of the Directors of Breville Group Limited, I state that:

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 8 to 19 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date and
- (b) there are reasonable grounds to believe that Breville Group Limited will be able to pay its debts as and when they become due and payable.

On behalf of the board



Timothy Antonie  
Non-executive Chair

Sydney  
13 February 2024



## ***Independent auditor's review report to the members of Breville Group Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of Breville Group Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the half-year ended on that date, material accounting policy information and selected explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Breville Group Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

#### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true

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and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PricewaterhouseCoopers



Aishwarya Chandran  
Partner

Sydney  
13 February 2024



## Auditor's Independence Declaration

As lead auditor for the review of Breville Group Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Breville Group Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Aishwarya Chandran', written over a horizontal line.

Aishwarya Chandran  
Partner  
PricewaterhouseCoopers

Sydney  
13 February 2024