

28th February 2020  
ASX Announcement



**Oliver's Real Food (ASX:OLI)**  
**Appendix 4D H1 - FY20 Results**

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**Commentary on the results attached**

As a board and on behalf of the management team we are delighted to present the results we have achieved in H1-FY20.

EBITDA profit for the period (after one off Items of \$992k) is \$44. **This represents an improvement of \$10,306,044 from the same period prior year.**

The one-off items representing the \$992k that reduced the EBITDA from \$1036k to just \$44 mentioned above are fully explained in the Appendix 4D attached, being share based payments to directors and provision for lease surrender costs.

**Key points:**

Revenue for the half year to December 2019 decreased only slightly by 1.7% (\$316k) to \$17.9 m.

However gross margin for the half year increased to 72.8% compared to 72.6% for the same period last year.

The company operated a total of 25 company-owned quick service restaurants throughout the half-year as against 29 stores for the same period previous year.

Sales revenue for this period, whilst only marginally lower than the previous year, was disappointingly lower than the Company's internal forecast.

The shortfalls in both Revenue and subsequent profitability are attributed largely to the impact of the extraordinary bush fires in QLD NSW and VIC that significantly reduced the number of travelers on the highways of the eastern states throughout November and December 2019 as a result of multiple road closures, store evacuations, power outages and the resultant travel warnings issued by the local fire authorities to deter motorists and holiday makers from travelling.

To further improve future business performance, the directors have taken the decision that the Coffs Harbour Southbound store will close effective 20<sup>th</sup> April 2020.

A determination has been reached that this store is not only underperforming due to significant challenges with the site, but it has also cannibalised the Northbound store at Coffs Harbour, negatively impacting the trading performance of the Northbound store which had been trading profitably prior to the opening of the southbound store. We expect this decision will result in an increased profit contribution from the remaining Coffs Harbour store.

As a result, \$300k of Leasehold Improvements have been impaired in the above and in addition the Lease Surrender Fee of \$75k charged against EBITDA profits in the H1-FY20 period even though this decision will not take effect until the end of April 2020.

The board and management look forward to moving beyond the remaining legacy issues from the past and producing a continuing increase in the companies profits and performance, the beginning of which has been demonstrated over the last half under challenging conditions. The board are currently working on several very exciting opportunities and will have more to announce in due course.

**Jason Gunn CEO commented:**

*“The board and management feel compelled to acknowledge the fantastic performance of the store operations and supply chain teams in this difficult and challenging trading period.*

*The dramatic improvement in operating performance in these challenging times is testament to the strong heart of the brand, the management, and the people that work in this business.*

*We are extremely proud and appreciative of our team”*

For and on behalf of the board

**Nicholas Dower** | Non-Executive Director and Chairman | [Nick.dower@oliversrealfood.com.au](mailto:Nick.dower@oliversrealfood.com.au)

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### **About Oliver’s Real Food Limited (ASX:OLI)**

Oliver’s Real Food Limited (**Oliver’s**) listed on the ASX on 21 June 2017. Over its 15-year operating history, Oliver’s has established a significant market position providing a healthy fast food alternative for consumers on Australia’s major arterial highways. Oliver’s Real Food is considered to be the world’s first "certified organic fast food chain" and provides its customers with premium quality, “real” food that is fresh, natural, & free from additives and preservatives, 7 days a week.

Oliver’s is a conscious business that understands, and is committed to, the interdependency of "all stakeholders" including our, customers, investors, team members, suppliers, the environment, and the communities in which we operate. [www.oliversrealfood.com.au](http://www.oliversrealfood.com.au)