



Oliver's Real Food Ltd
ABN 33 166 495 441

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27 July 2023
ASX Announcement

Oliver's Real Food Limited (ASX: OLI) **Quarterly Appendix 4C – June 2023**

The Company hereby provides its operations report and Appendix 4C for the 30 June 2023 quarter.

June Quarter Trading Commentary

As commented in our trading update released on Jun 23, 2023, the June quarter saw a significant softening in same-store sales growth compared to the March quarter. This impacted our results, and a \$370k operating loss was incurred, but still a meaningful improvement on the \$895k loss for the corresponding period in 2022.

Material business activities for April to June 2023 Quarter

- Company-owned store sales were \$5,735k.
- Like-for-like store comparison is up 4% on 2022 sales.
- Like-for-like store performance by State compared with 2022: NSW up 1%, VIC up 22%, QLD down 14%.
- Cash flows from operating activities were positive at \$534k.
- EBITDA was \$105k.
- Working Capital reduced by \$347k.
- Food-to-Go total sales were \$1,097k, and the Company earned \$99k in royalties.

June Quarter unaudited financial summary

	FY2023 Actual	FY2023 Budget	Actual v Budget	FY2022 Actual	FY23 v FY22
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5,842	6,711	(869)	6,188	(346)
Less COGS	2,138	2,446	(308)	2,617	(479)
Gross Margin	3,704	4,265	(561)	3,571	133
GM %	63.40%	63.55%		57.71%	
Less Expenses	3,831	4,075	(244)	4,136	(305)
EBIT	(127)	190	(317)	(565)	438
Less Interest	243	292	49	330	(87)
Operating result	(370)	(102)	(268)	(895)	525
Stores	16	16		19	

FY2023 unaudited quarterly financial summary and year to date

	FY23 Q1	FY23 Q2	FY23 Q3	FY23 Q4	12 months
	Actual	Actual	Actual	Actual	Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	5,925	6,758	6,385	5,842	24,910
Less COGS	2,239	2,568	2,301	2,138	9,246
Gross Margin	3,686	4,190	4,084	3,704	15,664
GM %	62.20%	61.95%	63.96%	63.40%	62.88%
Less Expenses	3,612	3,784	3,803	3,831	15,030
EBIT	74	406	281	(127)	634
Less Interest Paid	263	326	314	243	1143
Operating result	(189)	80	(33)	(370)	(512)
Lease liability write back	6,404				6,404
NPBT	6,215	80	(33)	(370)	5,892

Outlook

Same-store sales in July are presently up 5% compared to 2022.

The various commercial initiatives instigated by management over the last two months, including ending the use of third-party suppliers for sandwiches and returning to making fresh sandwiches in our stores is having a positive impact on the business, and we remain focused on delivering the strategy outlined at the time of our relisting.

Further, at the time of writing, the Company is closer to finalising the new stores at Pheasant Nest, both of which will become flagship stores for Oliver's and from which we expect good revenues and profits.

In this context, the Board takes this opportunity to update our financial forecasts, previously provided to the market upon our relisting in February 2023. Since then, the emergence of the two Pheasant Nest store opportunities, together with the significant upgrading of both

our Wyong stores have positively altered these forecasts. We hereby provide a summary of our updated financial forecast considering these developments:

	FY2024 Qtr. 1 Jul-Sept 23	FY2024 Qtr. 2 Oct-Dec 23	FY2024 2 months Jan-Feb 24
	\$'000	\$'000	\$'000
Revenue	6,823	8,560	5,839
Less COGS	2,484	3,128	2,134
Gross Margin	4,339	5,433	3,778
<i>GM %</i>	<i>63.60%</i>	<i>63.50%</i>	<i>63.50%</i>
Less Expenses	4,070	4,746	3,268
EBIT	269	686	437
Less Interest	297	338	217
Operating result	(27)	348	220
Stores	16	18	18

In summary, over the 8-month forecast period, revenue increases by \$1,710k and operating profit by \$388k compared to the previous forecast. We have only provided the Jan – Feb 24 period (2 months) to be consistent with the forecast announced on Feb 24, 2023.

There is little doubt that the recent interest rate rises, utility price increases, the general cost of living pressures, and the related media coverage have impacted consumer sentiment and discretionary spending. That stated, Oliver's continues to achieve year-on-year same-store sales growth and will continue to push for internal efficiencies.

These revised forecasts are based on current trading expectations and assumptions about the current fit-out schedules for both Pheasants Nest stores and the Wyong North redevelopment timeline.

Pheasant Nest Update

Currently, the Company anticipates that both stores will commence trading in September 2023.

Payments to related parties (Listing Rule 4.7C.3)

Interest paid to related party entities on loans was \$131k for the quarter. Directors' Fees paid amounted to \$7k.

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The Board of Directors has authorised this ASX release.

For further information, please contact:

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Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

OLIVERS REAL FOOD LIMITED

ABN

33 166 495 441

Quarter ended

30 JUNE 2023

Consolidated statement of cash flows	Current Quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	6,017	25,774
1.2 Payments for		
(a) research and development	-	-3
(b) product manufacturing and operating costs	-2,749	-12,730
(c) advertising and marketing	-87	-358
(d) leased assets	-	-
(e) staff costs	-2,237	-9,495
(f) administration and corporate costs	-276	-1,393
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	-136	-546
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other – Brisbane Kitchen make-good	-	-80
1.9 Net cash from / (used in) operating activities	534	1,172
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-65	-228
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current Quarter \$A'000	Year to date (12 months) \$A'000
(f) other non-current assets -Term Deposit	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment		19
(d) investments	-5	18
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	-70	-191

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	217	2,137
3.6 Repayment of borrowings (leased assets)	-628	-2,914
Repayment of borrowings	-27	-150
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	-438	-927

Consolidated statement of cash flows		Current Quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	250	222
4.2	Net cash from / (used in) operating activities (item 1.9 above)	534	1,172
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-70	-191
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-438	-927
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	276	276

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current Quarter \$A'000	Previous Quarter \$A'000
5.1	Bank balances	162	143
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	114	107
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	276	250

6. Payments to related parties of the entity and their associates		Current Quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1. Interest on Related party loans (\$131k), Directors Fees (\$7k).	138
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Appendix 4C
Monthly cash flow report for entities subject to Listing Rule 4.7B

7. Financing facilities	Total facility amounts at quarter end \$A'000	Amount drawn at Quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	9,000	8,637
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	301	301
7.4 Total financing facilities	9,301	8,938
7.5 Unused financing facilities available at month end		363
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>7.1 A \$5.0m secured facility with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 7.30% pa calculated daily and payable quarterly in arrears maturing 30 September 2028. Repayment of \$250k per quarter from 1 October 2023 with first repayment due 31 December 2023.</p> <p>A \$2.5m secured revolving line of credit facility with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 7.30% pa calculated daily and payable monthly in arrears maturing 30 September 2028. Repayment of \$125k per quarter from 1 October 2023 with first repayment due 31 December 2023</p> <p>A \$1.5m unsecured revolving line of credit with Gelba Pty. Limited and Michael and Suzanne Gregg at an interest rate of 7.30% pa calculated daily and payable monthly in arrears maturing 30 September 2024.</p> <p>7.3 Secured loan \$301k from Green Superannuation Fund assignment of the Safety Aviation Factor Pty Ltd loan, only repayable after 1st July 2021 and the consolidated entity has recorded a positive NPAT during the two calendar quarters prior to the quarter in which the payment is made; The interest rate being 6% calculated daily, payable monthly in arrears.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	534
8.2 Cash and cash equivalents at month end (item 4.6)	275
8.3 Unused finance facilities available at month end (item 7.5)	363
8.4 Total available funding (item 8.2 + item 8.3)	638
8.5 Estimated Quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2023.....

Authorised by: Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This monthly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.