



oliver'sTM
REAL FOOD LIMITED

2018 HALF YEAR RESULTS

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27 FEBRUARY 2018



**fresh.
natural.
organic.**

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Half Year Review	5
HY2018 Financial Overview	6
HY2018 Sales	7
HY2018 Gross Margin	8
HY2018 Cash Flow	9
HY2018 Balance Sheet	10
New Store Openings	11
Sale and Lease Back	12
New Menu Items	20
FY18 EBITDA Outlook	21
Board of Directors	22

OUR PURPOSE

**"TO EMPOWER
OUR CUSTOMERS TO
LIVE A HAPPIER AND
HEALTHIER LIFE"**

FEED YOUR GOOD
BODY, MIND & SPIRIT



REVENUE
INCREASED
93%
TO \$17.6M
FROM \$9.1M
IN HY2017

GROSS
MARGIN
INCREASED TO
75.6%
FROM 65.7%

SAME
STORE
SALES
+5.7%

RECORD
MONTHLY
REVENUE OF
OVER \$4.0M
DECEMBER 2017

**EBITDA OF
\$1.0M**
FOR HY2018
VERSUS A
LOSS OF \$0.7M
IN HY2017

**OPENED SIX
NEW COMPANY
OWNED STORES**

ARATULA QLD
MARYBOROUGH QLD
HORSHAM VIC
EUROA VIC
PORT MACQUARIE NSW
BULAHDELAH NSW

RECORD
WEEKLY
REVENUE OF
\$1.25M

RECORD
DAILY
REVENUE
OF **\$30K**
SINGLE STORE

NET CASH
PROVIDED BY
OPERATING
ACTIVITIES UP
TO \$1.8M
VERSUS (\$0.1M)
IN HY2017

CASH
BALANCE
OF
\$2.3M
AT 31 DEC 2017

HY2018 Highlights

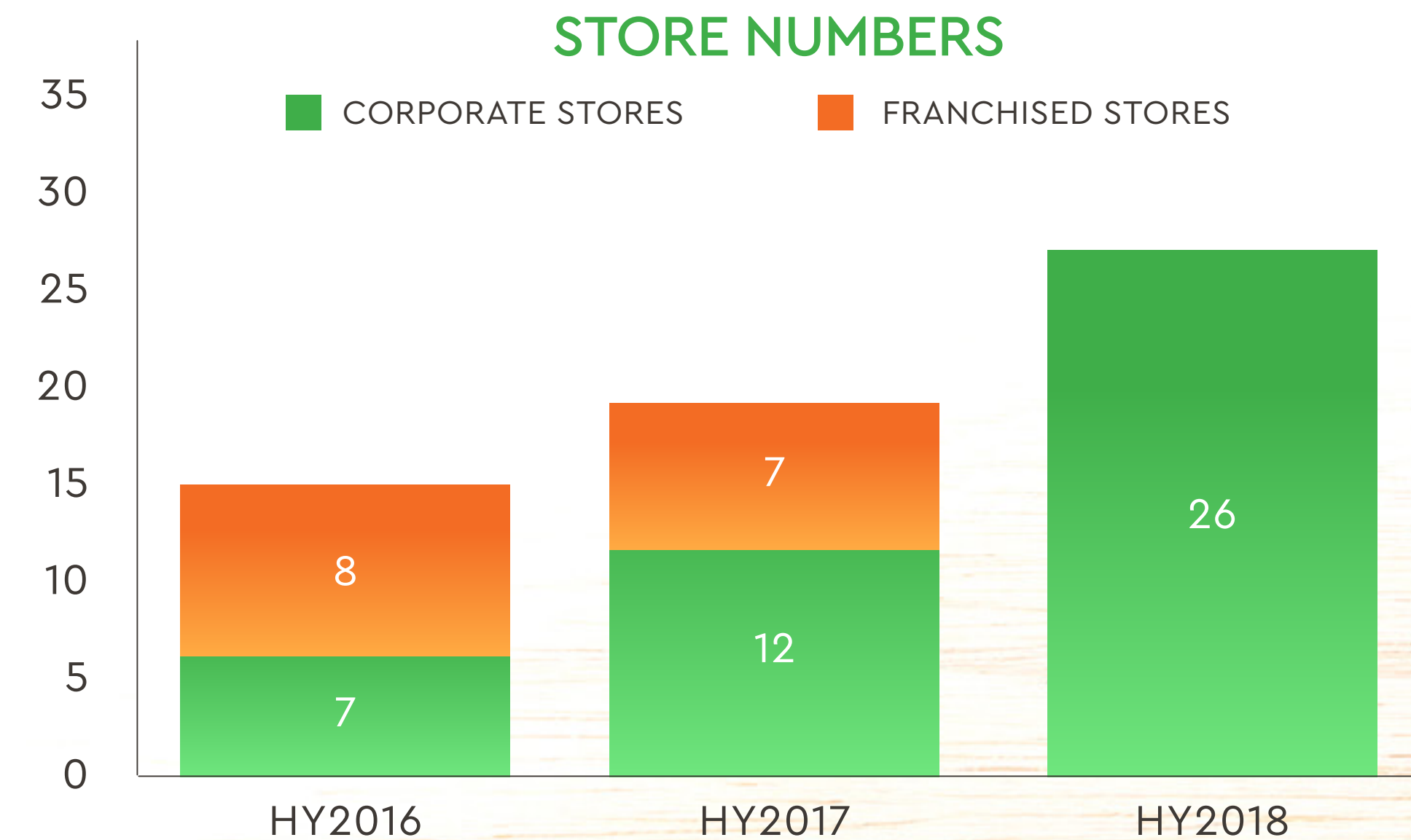
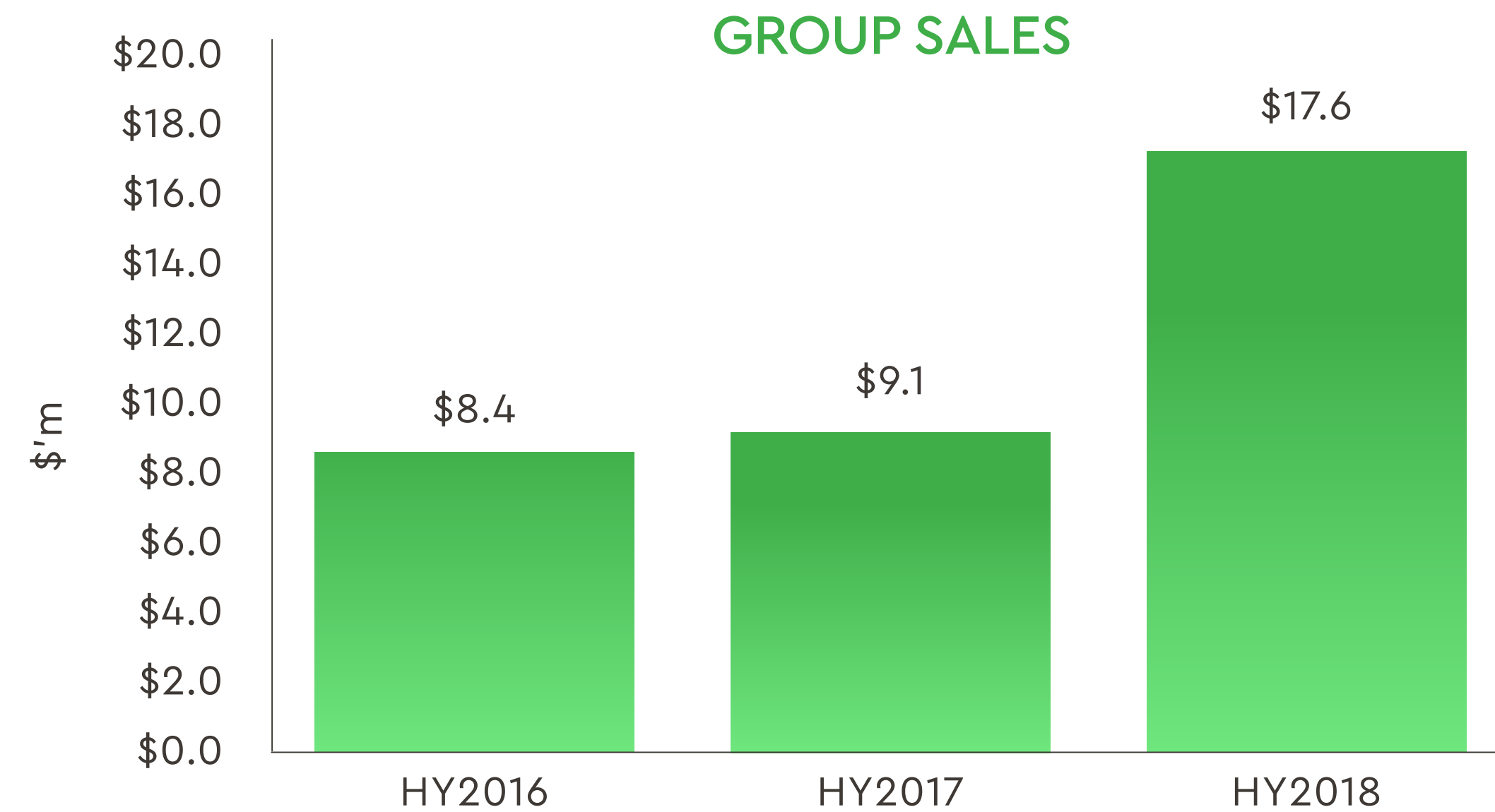
- Revenue for the half year to December 2017 increased by 93.3% to \$17.6m. Same store growth of the existing network was 5.7%.
- Revenue growth was also achieved through the opening of seven new company owned stores since the IPO and the buyback of seven franchised stores. The last franchised restaurant of the Group, Oliver's Eastlink Outbound, was bought back from the franchisee on 1 August 2017.
- Gross margin for the half year was 75.6% compared to 65.7% for the same period last year. Gross profit increased by 122% to \$13.3m
- EBITDA was \$992,994 an increase of \$1.69m (243%) from a loss of \$694,929 on the prior period.
- Depreciation and Amortisation up from \$0.3m to \$1.1m resulting from new stores opened and the amortisation of reacquired rights from the acquisition of franchised stores.
- The acquisition of the remaining 25% equity interest in The Delicious & Nutritious Co Pty Ltd (the owner of the intellectual property and the business known as Red Dragon) was completed in July 2017.
- At the reporting date, the company's cash position was \$2.3m. Cashflow from operations was \$1.8m compared to negative \$0.1m from the prior period.
- The company operates 26 quick service restaurants as at 31 December 2017 of which six new stores were opened during the reporting period.

HY2018 Financial Overview

\$'000s	Half year ended 31-DEC-17 Actual	Half year ended 31-DEC-16 Actual	Variance % Actual
Revenue from ordinary activities	17,562	9,085	93.9%
Gross Profit	13,273	5,972	122.3%
Gross Margin	75.6%	65.7%	9.9%
Other income	82	98	(16.3%)
Operating Expenses	(12,362)	(6,765)	82.7%
EBITDA	993	(695)	242.9%
NPAT	(127)	(1,047)	87.9%
EPS – basic (cents)	(0.00)	(0.01)	-

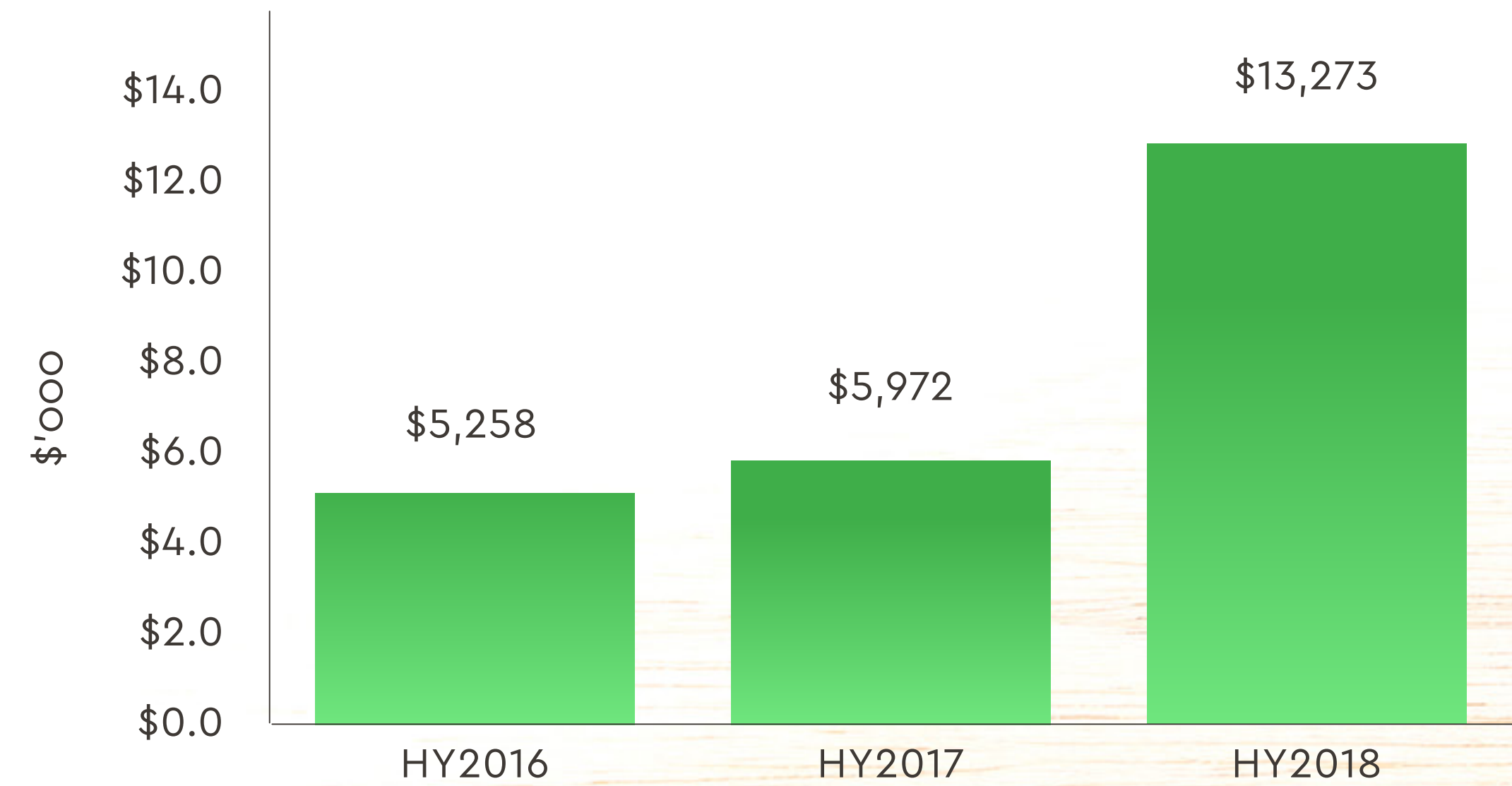
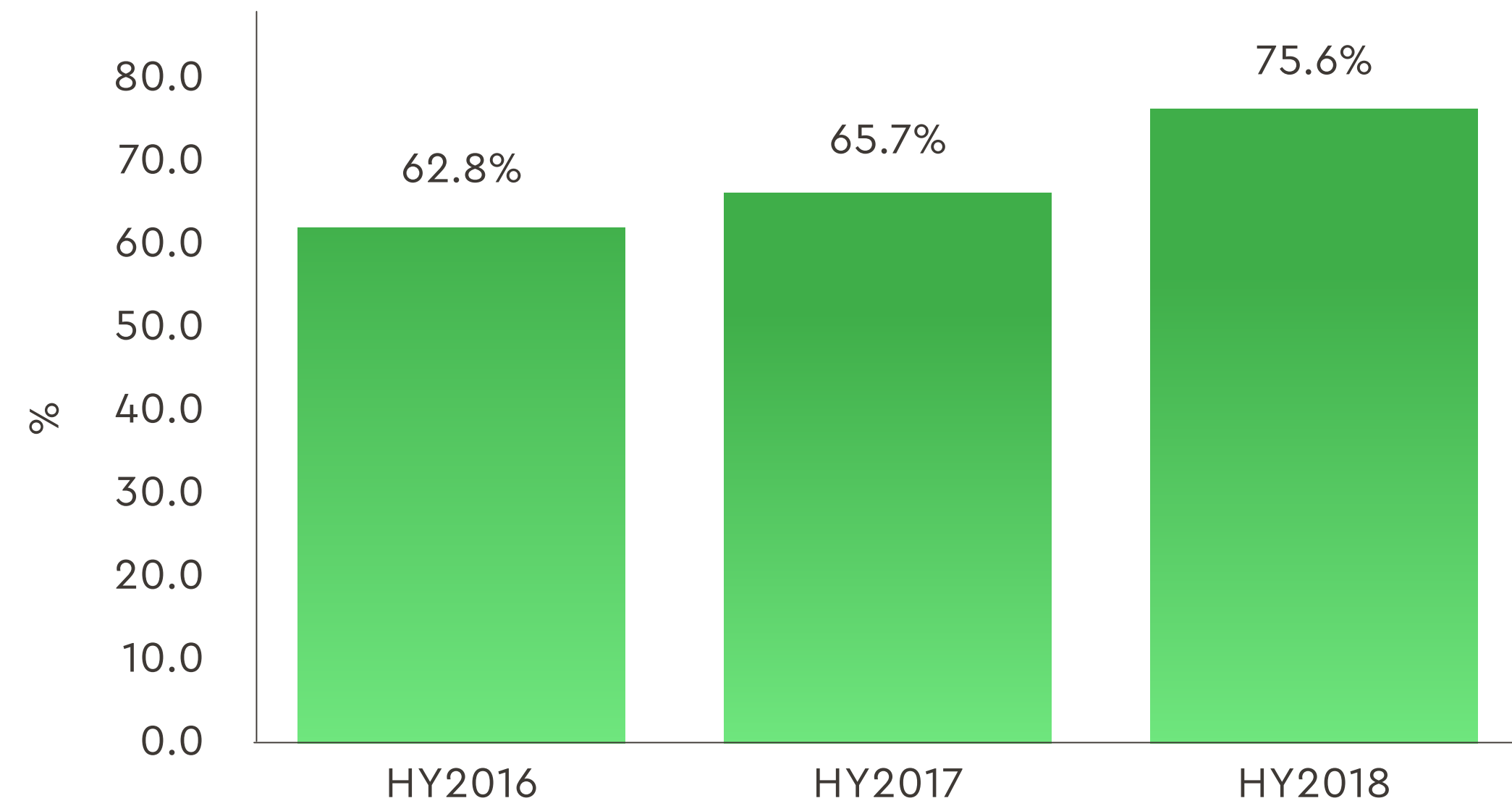
- Revenue for the half year to December 2017 was \$17.6m, an increase of 93.3% from prior period.
- Same store growth was 5.7%.
- Gross margin up by 9.9% to 75.6% which was ahead of the Prospectus forecast.
- Operating expenses up by 82.7% mainly due to new stores opened during the period and franchised store bought back as well as the increased infrastructure required for an ASX listed company.
- Six new stores opened during the period.

HY2018 Trading Performance



- Group Sales up by 93% in HY2018 to \$17.6m.
- Group Sales up more than double from HY2016 to HY2018 while store numbers increased from 15 to 26 for the same period.
- Same store sales growth was 5.7% for the current period.

HY2018 Gross Margin



- Gross profit increased 122.3% to \$13.3m.
- Gross margin increased to 75.6% from 65.7%, mainly attributable to the buy-back of franchised stores.
- Actual gross margin is ahead of Prospectus forecast.

HY2018 Cash Flow

\$'000s	HY2018	HY2017
Cash provided by operating activities	1,859	11
Net finance costs	(46)	(120)
Tax paid	-	-
Net cash provided by/(used in) operating activities	1,813	(109)
Property, plant & equipment	(4,027)	(1,405)
Business acquisitions	(3,519)	12
Net cash used in investing activities	(7,546)	(1,393)
Issuance of shares, net of costs	-	1,270
Proceeds from borrowings	1,834	928
Repayment of borrowings	(166)	(77)
Net cash provided by financing activities	1,668	2,121
Net movement in cash	(4,065)	619
Opening cash	6,344	838
Net cash	2,279	1,457

HY2018 Balance Sheet

\$'000s	HY2018	FY2017	HY2016
Cash and cash equivalent	2,279	6,344	1,457
Receivables	782	1,426	1,442
Inventories	1,992	1,341	1,174
Total current assets	5,053	9,111	4,073
Property, plant & equipment	15,989	10,737	5,469
Intangible assets	8,187	6,677	1,028
Deferred tax assets	636	572	432
Other non-current assets	436	428	280
Total assets	30,001	27,525	11,282
Payables	3,319	2,542	2,527
Borrowings	311	253	2,053
Provisions	616	235	771
Total current liabilities	4,246	3,030	5,351
Borrowings	1,719	110	1,431
Provisions	364	345	258
Deferred tax liabilities	80	61	102
Other non-current liabilities	133	159	369
Total liabilities	6,542	3,705	7,511
Net assets	23,759	23,820	3,771

- Cash position was at \$2.3m as at period end.
- Majority of borrowings represent facility provided by Commonwealth Bank of Australia, which expire in December 2019 and are secured over the group's properties.
- Increase in intangible assets are related to the acquisition of 2 existing QSR businesses (Maryborough and Euroa) and the buy back of the franchised store at East-Link Outbound.



During the first half of FY18 the Company opened six new stores:

- Two in QLD
 - Aratula and Maryborough
- Two in NSW
 - Port Macquarie and Bulahdelah
- Two in VIC
 - Horsham and Euroa

The addition of these six new stores brings the current total number of Company owned Oliver's outlets to 26.

Sale and Lease Back

From time to time, the opportunity exists for us to purchase selected businesses/properties, rebrand them and sell them with a lease in place to Oliver's at an annual rental that works for our business. This strategy has already proven to produce significant contributions in the past.

Subsequent to the HY2018 Reporting Period, the Company sold the freehold properties at:

- Maryborough for \$1.85m, which settled in January 2018, and
- Bulahdelah for \$2.075 with settlement scheduled for April 2018.





ARATULA QLD | OPENED 13 JULY 2017





HORSHAM VIC | OPENED 18 AUG 2017






MARYBOROUGH QLD | OPENED 21 SEP 2017





 EUROA VIC | OPENED 2 NOV 2017



PORT MACQUARIE NSW | OPENED 16 NOV 2017





BULAHDELAH NSW | OPENED 21 DEC 2017



 OLIVER'S MOVABLE FEAST



Introduced 10 New Menu Items

Sweet Potato Strips

Oliver's Real Crisps

*Sweet Potato, Marlborough Sea Salt
or Rosemary & Thyme*



**Vegan - Sweet Potato
& Salad Sandwich**



Rosemary Baked Potatoes



Turmeric Latté



**Breakfast
Options**

NEW MENU ITEMS

FY2018 EBITDA Outlook

The Prospectus forecast for FY2018 EBITDA is \$4.767m.

The make up of the full year forecast differs from assumptions set out in the Prospectus. Specifically:

- Sales Revenue for FY2018 is expected to be within circa 5% of the Prospectus forecast of \$42m,
- The new store at Bulahdelah was six months late in opening, due to unforeseen issues with the site and build and opened in December 2017,
- Two new stores that were not in rollout plan in the Prospectus were acquired and opened during H1, namely Maryborough and Euroa,
- The last remaining franchise store at Eastlink Outbound was acquired during H1,
- Three stores planned to be opened in H1, namely Coonalpyn, Dubbo, and Bogabilla, have been deferred for later consideration,
- The land and buildings, now operating as Oliver's stores at Maryborough and Bulahdelah, were successfully sold at a profit, subsequent to the half year end,
- At the end of H1, the group had a total of 26 stores to contribute to H2 (compared to 20 stores at the start of H1), and
- the Directors anticipate opening a further three new stores before 30 June 2018.

Accordingly, the Directors hereby re-affirm the Prospectus forecast for FY2018 EBITDA of \$4.767m.

Cash held by the company as at 31 January 2018 was \$4.1m

Oliver's Board and its advisors compose a depth and breadth of experience that will ensure good governance and astute business leadership across a broad spectrum of commercial, legal and accounting disciplines



Mark Richardson
Chairman and Independent
Non-executive Director

Mark co-founded Wolseley Private Equity in 1999. Wolseley has invested over \$400 million of equity in Australian and New Zealand companies in Food Distribution, Day Hospitals, Logistics and Transport, Printing and Communication, Travel, Business Process Outsourcing, Franchising, Infrastructure Engineering and Childcare Centres ranging from \$25 million to \$400 million in scale. Mark specialises in strategy development and implementation, organisational effectiveness and CEO mentoring. Mark has a B.Sc (Hons) in Chemical Engineering and an MBA from Stanford Graduate School of Business.



Jason Gunn
Executive Director &
Chief Executive Officer

Jason successfully anticipated the health food trend within the fast food market and leads the organisation with his passion and commitment to healthy nutrient dense food and sustainable business practices. His passion has resulted in Oliver's status as the world's first certified organic fast food chain. Jason has driven the Oliver's business growth since incorporation in 2003 and has been the brand, cause champion, food development lead, service, logistics, finance and operations steward since then. As Oliver's has developed, Jason has been able to attract an experienced and dedicated group of key management to manage the company's growth. Jason is a Graduate of the Australian Institute of Company Directors.



Katherine Hatzis
Non-executive Director

Kathy is a founder of Oliver's and board member since inception in 2003, committed to the acceleration of the Oliver's nutritional movement and its positive social impact. She has 25 years experience in strategic planning, mergers and joint venture operations, brand, customer marketing, retail store merchandising and digital media from senior roles held at Optus, St George, Westpac, ANZ, and Citibank. Until recently she was Deputy Chair of the Australian Marketing Institute (Marketing's peak professional body). Kathy has a B.Com in Economics and Marketing, is a CPM and a Graduate of the Australian Institute of Company Directors.



John Diddams
Independent
Non-executive Director

John has over 35 years of senior management experience as CFO, CEO, and for the past 20 years as a professional non-executive director and has extensive knowledge and practical experience in the application of Australian Corporations Law, ASX Listing Rules, international accounting standards, and corporate governance principles. John has managed the process to raise capital and seek ASX listing for a number of diverse enterprises, including IPO's for offerings such as oil and gas interests, food and retail, biotech, the internet and medical products. John has a B.Com from UNSW, is a Fellow of CPA Australia and a fellow of the Australian Institute of Company Directors.



Peter Rodwell
Independent
Non-executive Director

Peter has over 40 years experience in the Restaurant category. From 2003-2015, he was McDonald's Divisional President for Australia, Asia, Pacific, Middle East and Africa, creating, growing and regenerating businesses in developing and mature markets, with specialties in pricing, product development, store management, franchising and front-line staff management. Most recently he has been consulting to the industry across a range of companies and operational improvement programmes.



Emma Lawler
Company Secretary

Emma was appointed as Company Secretary on 21 April 2017. Emma has two decades of experience as a company secretary and governance professional. Emma holds a Bachelor of Business and Graduate Diploma in Applied Corporate Governance and is a Fellow of the Governance Institute of Australia.

All Oliver's Directors are shareholders

BOARD OF DIRECTORS

**fresh.
natural.
organic.**

