



Oliver's Real Food Ltd  
ABN 33 166 495 441

PO Box 3678  
TUGGERAH NSW  
(02) 4353 8055

**23 November 2022**  
**ASX Announcement**

## **Oliver's Real Food Limited (ASX: OLI)** **AGM Address of Chairman's and CEO**

### **Oliver's Real Food Limited** **AGM 2022 | Chairman's Address**

Good morning, and welcome everyone. This is my first opportunity as Chairman to address the Annual General Meeting of shareholders and it is a pleasure to be able to hold a face-to-face meeting after a couple of years disrupted by COVID.

I will make some introductory remarks regarding your Company's performance in the 2022 financial year, before handing over to our Chief Executive Officer Tammie Phillips, who will provide a more detailed review of Oliver's activities during the 2022 financial year, as well as some observations about the outlook for your Company.

### **FY22 Achievements & Financial Performance**

Since we last met in person a lot of changes have occurred at Oliver's.

The organisation is very different today. Under Tammie's leadership, our operating model has been transformed, and it is very pleasing to say that the new operating model is now delivering financial and operational results.

Notwithstanding, the past financial year has not been without its challenges, particularly the period from July 2021 to November 2021 when lockdowns in New South Wales and Victoria, along with border closures, severely impacted our sales. Our results for the 2022 financial year reflect the significant financial impact these Government imposed restrictions had on our business.

Fortunately, the receipt of various government support payments, rent waivers and the financial support of our major shareholders enabled us to survive those lockdowns.

As lockdowns lifted and borders opened, our performance slowly improved. However, what was clear in early 2022 was that sales at several of our stores, mostly in Victoria, were not recovering quickly enough and the store losses could no longer be sustained. We had to shrink our store footprint to survive, and in May 2022 we took decisive action to close seven (7) stores in Victoria. Since making that decision we have successfully negotiated release from leases, as announced in September.

As a result of the hard work undertaken since the restructuring commenced in April last year, I am pleased to report that today the current 16 store network is delivering cash positive results and has been for some weeks.

Tammie will make more comments and take you through further detail of your Company's achievements and financial performance for the 2022 financial year, as well as our current trading update for the 2023 financial year.

## **Management & Board**

Earlier this month, we were pleased to announce the appointment of Natalie Sharpe as the Company's Chief Executive Officer from 21 December 2022.

Natalie is our current Head of Supply Chain and Product, and having worked closely with Tammie, has been a driving force in Oliver's transformation over the last 12 months. Natalie is extremely well regarded within Oliver's and has the right experience and expertise to lead Oliver's in its next phase of its growth.

Welcoming Natalie means farewelling Tammie. While Tammie will continue to advise Oliver's on key strategic projects in a consulting capacity until the end of March next year, I would like to thank Tammie for her service to Oliver's during what has been a very difficult two and a half years for the Company. Tammie has overseen a complete restructuring of the business, its operations, culture, menu, and management, with demonstrable success. Tammie leaves Oliver's well placed for the opportunities ahead and we wish her well in her future endeavours.

There have also been changes to our Board since our last AGM.

I was appointed Chairman effective 1 April 2022, with our former Chairman Kim Wood stepping down at the end of March 2022. On behalf of the Board, I thank Kim for his hard work and commitment to Oliver's through his 17-month tenure on the Board.

In April 2022, Kathryn Gregg was appointed to the Oliver's Board as the representative of the Gregg family, your Company's largest shareholder and principal lender. Kathryn has impressive experience in marketing, with particular expertise across retail and travel-related businesses, which we believe will serve your Company well as it continues to recover from the difficult trading conditions of the past two years. We will seek your support for the election of Kathryn shortly.

## **Debt Restructuring Plan**

Last week, we were pleased to announce the Debt Restructuring Plan which, if approved, will see the Company convert \$2 million of its unsecured line of credit debt into equity via the placement of 80 million shares at 2.5 cents per share.

A Notice of Meeting and accompanying Explanatory Statement will be dispatched to shareholders in December 2022, with resolutions to approve the Debt Restructuring Plan put to shareholders at an Extraordinary General Meeting in late January 2023.

The Debt Restructuring Plan demonstrates the commitment of your Company's Principal Lenders to Oliver's and, if approved by shareholders, would reduce your Company's debt, strengthen the balance sheet, enhance liquidity to support Oliver's operations and future growth, and stand your Company in good stead for relisting on the ASX.

## **ASX Update**

Turning now to the ongoing suspension from official quotation on the ASX.

We are working closely with the ASX and I can advise that last Friday we lodged a new submission to them requesting reinstatement to quotation which included updated financial and other information requested by the ASX.

Although any reinstatement is at the discretion of the ASX, meaning its delivery and timing cannot be guaranteed, we strongly believe that our recent submission seeking reinstatement of quotation, together with the proposed Debt Restructuring Plan, demonstrates our solvency and capacity to fund our future operations.

We will provide an update on this once the ASX has completed its review.

## **Closing Remarks**

The groundwork has been laid for further substantial improvement in Oliver's operating and financial performance in the current financial year. Your Board and management team are committed to continuing to implement the operational improvements that will underpin the strong growth momentum already underway.

I would like to thank my Board colleagues for their commitment and contribution during the year.

On behalf of the Board, I would like to recognise the resilience of all Oliver's employees during what have been extremely challenging times, and their dedication to the Company's ongoing success.

Finally, we thank you, our shareholders, for your continued patience and support. I know your faith in Oliver's has been tested in recent times, but I am confident we have turned the corner and our future prospects are much brighter. We have every reason to be optimistic for 2023 and beyond.

**Oliver's Real Food Limited**  
**AGM 2022 | CEO's Address**

**Introduction**

Thank you, Martin, and good morning, everybody.

It is a pleasure to be here with you today to present a review of Oliver's performance for the 2022 financial year and provide comments about the outlook for the company at what is my final AGM as Oliver's CEO.

The 2022 financial year can be best summarised as a tale of two halves.

In the first half of the financial year, the business continued to be heavily impacted by COVID-19-related lockdowns and border closures that saw all of our stores cease trading for various and differing periods in each of the States in which we operate. Simultaneously, we pushed ahead with the significant transformation and strategic repositioning of the business, with a focus on simplifying business activities, rationalising our store network and implementing cost reduction initiatives.

Our trading results for the second half of the financial year were significantly better than the first half, due to

Firstly, the improvement of the operating environment as COVID-19 restrictions were eased.

Secondly due to the completion of the operational restructuring which saw the business emerge from COVID as a leaner and more efficient, business.

On the financial front, our performance for the financial year reflected the direct and substantial effects of the COVID-19-related disruptions previously mentioned, as well as the immediate investment in restructuring our operations. For the year ended 30 June 2022, the Company recorded a net loss after tax of \$11.7 million. This included \$9.7 million in net impairments, which was partially offset by a credit of \$2.5 million relating to a lease writeback following the assignment of the Queensland kitchen lease and the termination of the Chinderah store lease.

**Delivering on our Strategic Priorities**

With that stated, whilst cost discipline and managing the effects of COVID-19 disruptions continued to be a major focus during the 2022 financial year, I would like to briefly take you through the strategic priorities we focused on alongside this to position the Company for growth.

***First Strategic Focus - Menu Management***

Under the direction of Natalie Sharpe, our incoming CEO, the business focused on menu innovation, efficiency, and the selling mix. I am very pleased to report that the menu has

been successfully reshaped and has been well received by customers and significantly these initiatives have resulted in the business now consistently achieving its target gross margin.

With menu and margin now stabilised, the business has recently invested in upgraded equipment for stores where we are now turning our focus to testing new technologies to improve product quality and speed of service in-stores.

In this area of menu offer I would like to say and remind all stakeholders that Oliver's is the only Quick Service Retail (QSR) chain in Australia, through disciplined menu management, that is taking ownership of the opportunity where QSR meets health. I believe there is much to be excited about the opportunities for continued product-led growth strategies that will connect us with the increasing demand for healthier food choices.

### ***Our 2<sup>nd</sup> strategic focus was on - Marketing Initiatives***

Management has been prudent in our path to profitability, prioritising necessary operational changes before committing valuable resources into marketing efforts.

In October 2021, the business appointed James Wood as Marketing Director. James immediately turned his attention to delivering the 'quick wins' for the business, whilst building the foundations for larger initiatives including digital and social platforms and undertaking a fresh brand campaign.

Significantly, we used customer insights to create cost-efficient marketing and advertising initiatives that have focused on driving sales growth at stores and through our partnership with EG Group, whilst steadily transforming the Oliver's brand to be more modern and fresher.

The business invested modestly on marketing initiatives, but the return and achievements to date have been significant.

Our major investments have included:

- A new website, ecommerce store, ordering app and loyalty program
- A website search engine optimisation strategy that targets travellers along our highway locations
- A seasonal holiday social media digital campaign
- A new refreshed billboard strategy

### ***Our 3<sup>rd</sup> Strategic Focus was on – Our Stores and People***

Our employees are the lifeblood of our business. They have been extremely responsible and adaptable under what have been very difficult circumstances in the past two years, and for that I am very grateful.

In the 2022 financial year, we launched a learning school with over 40 of our store staff enrolled in certified training courses, including courses in hospitality, retail, leadership, and

management. We also launched a Learning Management Platform which enables the business to be more efficient with training and staff communication.

Most significantly, consistent with our approach to improving efficiencies and disciplines for our back-of-house activities, we focused on creating an improved culture of discipline in our stores. A key focus was on redefining Key Performance Indicators for all venues, establishing improved KPI reporting tools, data systems and introducing an aligned employee reward program. This has provided the stores with the freedom and responsibility to run their own businesses within the framework of a disciplined system.

Our roadmap is committed to continuing to implement strategies that will improve our work culture, increase store productivity, and build better work and customer relationships.

### **Outlook**

Turning now to an update on year-to-date trading and the outlook for the balance of the 2023 financial year.

The completion of the operational restructuring in the 2022 financial year represented a new beginning for Oliver's and I am pleased to report that we have started the 2023 financial year with the strongest quarter since the COVID-19 pandemic hit. We ended the first quarter with a quarterly EBIT profit of \$6.5 million which included \$6.4m **writeback of our Victorian store lease liabilities. Net of that one-off adjustment our EBIT profit in the first quarter was \$100k.**

I am further pleased to advise our momentum has continued to strengthen into the second quarter, with the company recording a \$131k EBIT profit in October. November sales are presently ahead of internal forecasts and with December normally our busiest month, we expect to report positive financial outcomes this quarter.

### **Closing Remarks**

In the 2022 financial year, we succeeded in building a platform for sustained profitable growth whilst delivering on our strategic priorities. I can confidently say to you today that the business is in great shape.

I would like to take the opportunity to thank all our employees for their contribution throughout the year and their continued dedication to supporting the business transformation program and delivering the best possible experiences for our customers.

To our shareholders, thank you for your continuing support, in particular as we have navigated the difficult challenges of our ASX suspension.

I would also like to thank the Board and my management team for their support during my time as CEO.

As I mentioned earlier, the completion of the strategic repositioning of the business marks a new beginning for Oliver's. I believe it is the right time to hand over the reins to fresh leadership in Natalie to guide the business through the next stage of its growth.

Nat's leadership style and experience will mesh well with this next stage of Oliver's journey. As a leader, Nat demonstrates passion and a willingness to succeed and these attributes, coupled with her education credentials, nutritional background and long association with Oliver's, make her an ideal next CEO of Oliver's.

It has been rewarding and humbling to lead the Oliver's business through its transformation over the past 2 and a half years – there is much for us to be proud of, and equally as much to be optimistic about.

I would now like to hand back to Martin to continue with the formal business of the meeting.

---END---

This ASX release has been authorised by the Board of Directors.

**For further information please contact:**

**Robert Lees – Company Secretary**

robert@coysec.net.au

**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 health fast food alternative for travellers on Australia's major arterial highways. Oliver's Real Food is the world's first "certified organic fast-food chain" and provides its customers with premium quality, "real" food that is fresh, natural, & free from additive and preservatives. 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)**