



**oliver's**™  
**REAL FOOD LIMITED**

2017  
FULL YEAR RESULTS  
PRESENTATION

21 September 2017



"Would you  
**LIKE BEANS**  
with that?"



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REVENUE  
INCREASED  
**21.2%**  
TO \$20.7M  
FROM \$17.2M

RAISED  
**\$15 MILLION**  
ON IPO

SAME  
STORE  
SALES  
**+5.2%**

OPENED  
**THREE**  
NEW STORES  
CHINDERAH NSW  
FERRY PARK NSW  
BALLARAT VIC

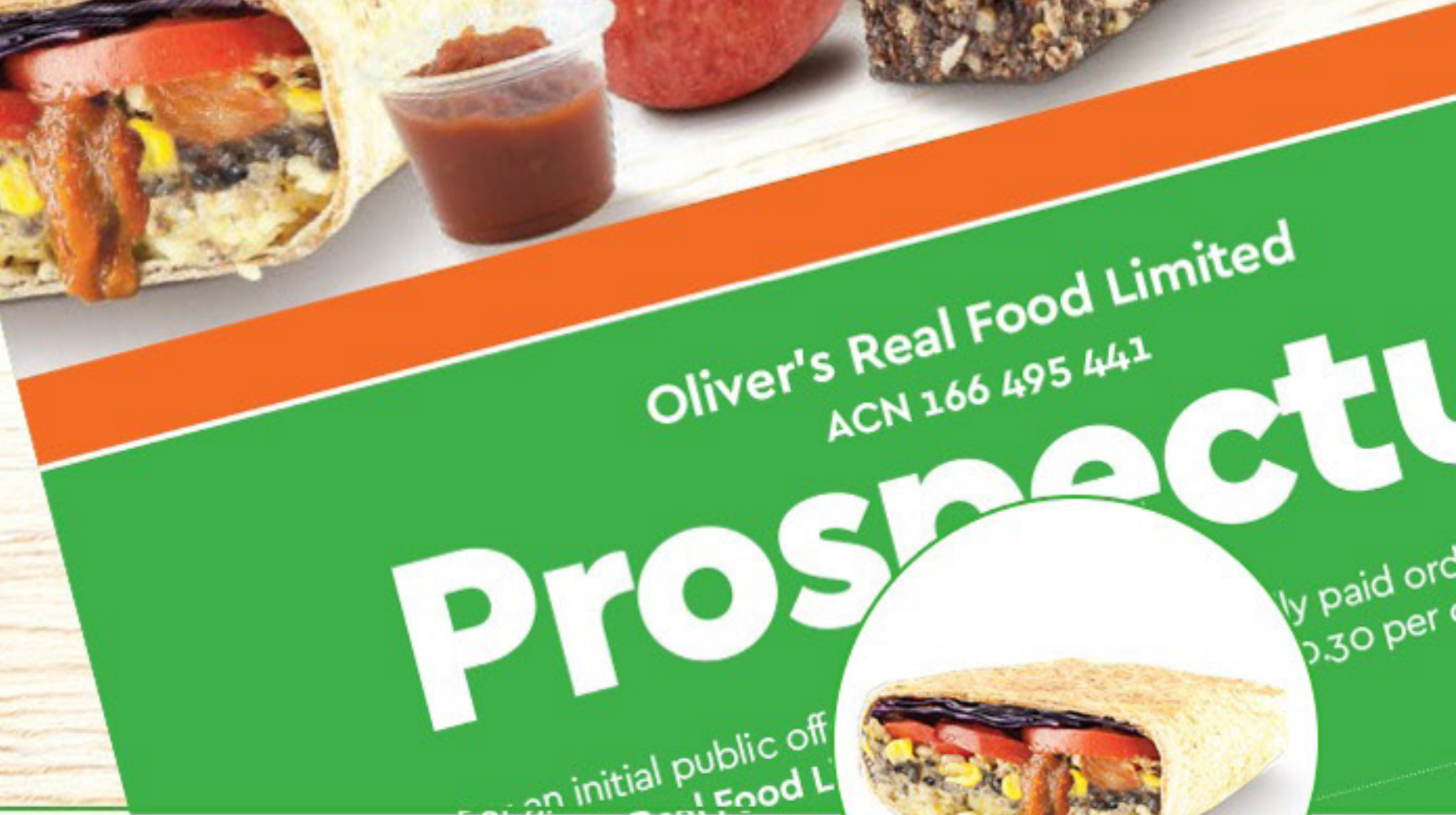
**LAUNCHED**  
OLIVER'S  
COCONUT  
WATER  
& ORGANIC  
EDAMAME

BOUGHT  
BACK  
**SEVEN**  
FRANCHISE  
OWNED  
STORES

## During the financial year, the Company

- Successfully raised \$15m via an IPO in June 2017
- Opened 3 new corporate stores - Chinderah, Ferry Park and Ballarat;
- Bought back 7 franchised stores Coffs Harbour, Eastlink Inbound, Hexham, Wyong Northbound, Goulburn, Wyong Southbound and Wallan Northbound; and
- Acquired the remaining 24% equity interest in Retail Technology Services Pty Ltd

As at 30 June 2017, Oliver's Real Food Limited operated 20 organically certified quick service restaurants in Australia – 19 corporate stores and 1 franchise store



## Subsequent to the FY2017 reporting period

- On 7 July, the Company acquired the remaining 25% equity interest in Red Dragon Organics, of which the Company already held 75% equity interest
- On 1 September 2017, the Company acquired the land and buildings as well as the business located at Maryborough in Queensland. This site is scheduled to be developed into an Oliver's Real Food Restaurant during 2017;
- The Company entered into a contract to acquire a business located at Euroa in Victoria which is scheduled to be completed in September 2017. This site is scheduled to be developed into an Oliver's Real Food Restaurant during 2017; and
- The Company opened 2 additional stores – Aratula and Horsham
- Acquired the Company's first 'food van' and is scheduled to be used at new sites prior to store opening
- Bought back the remaining franchised store - Eastlink Outbound in August



**RED DRAGON**  
**ORGANICS**





In FY2017 we set out to bring some of our most successful franchised stores back into the corporate business.

By June 30th we had purchased 7 out of the 8 Franchised stores from franchisee's.

These included,

- Wyong Northbound NSW,
- Wyong Southbound NSW,
- Hexham NSW,
- Coffs Harbour NSW,
- Goulburn NSW,
- Wallan Northbound VIC
- East-link Inbound VIC, and

Collectively these stores represent store turnover in excess of \$16 million with significant contribution expected for FY2018 results



## FRANCHISE BUYBACKS

## Financial Overview

\$'000s	Year ended 30-Jun-17 Actual	Year ended 30-Jun-16 Actual	Variance %
Revenue from ordinary activities	20,749	17,126	21.2%
Gross Profit	13,944	10,494	32.9%
Gross Margin	67.2%	61.3%	5.9%
Other income	398	2,774	(85.7%)
Operating Expenses	(16,625)	(11,517)	44.4%
EBITDA*	(2,283)	1,751	(230.4%)
NPAT	(2,869)	624	(559.8%)
EPS – basic (cents)	(0.03)	0.01	(400.0%)

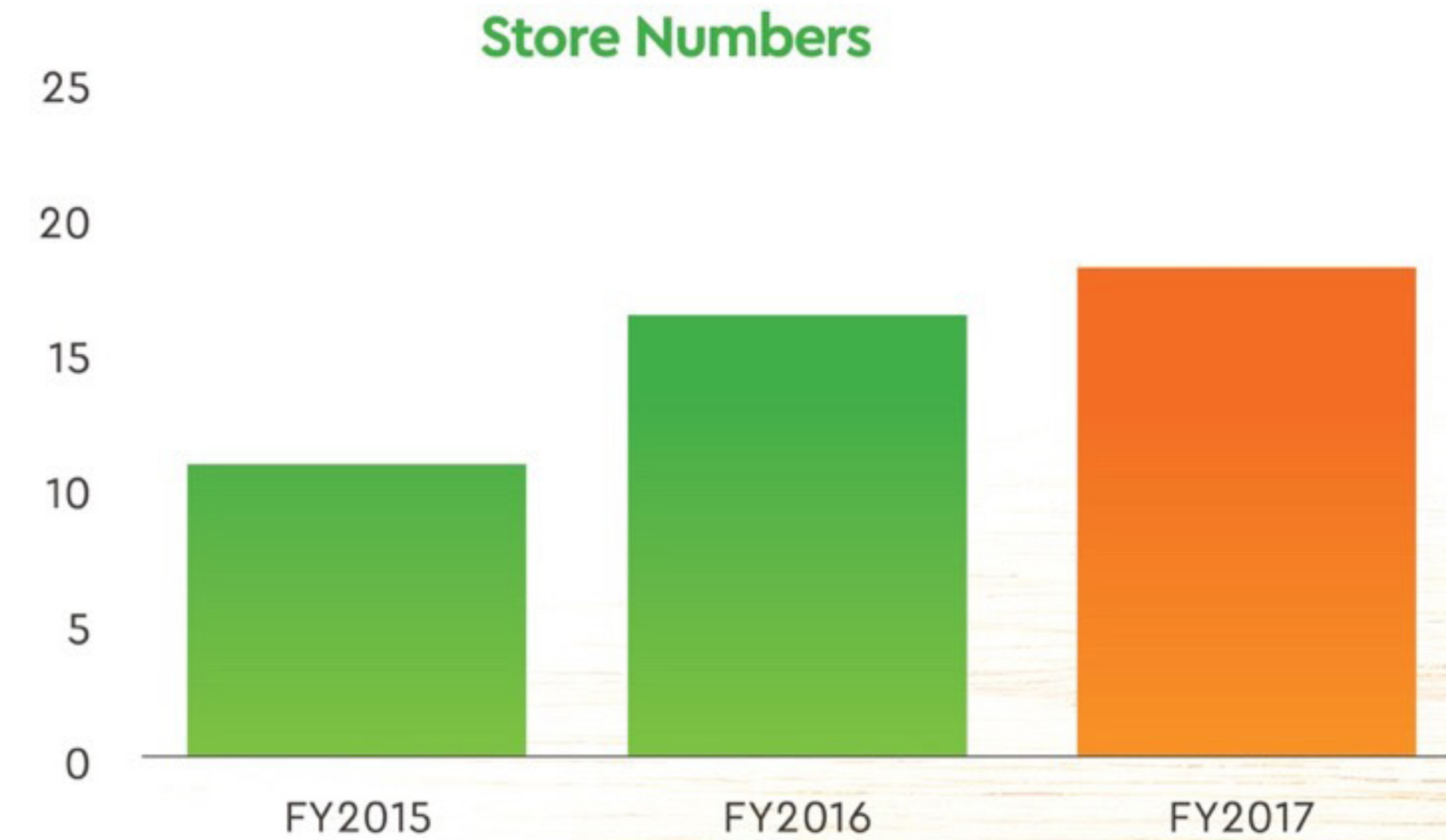
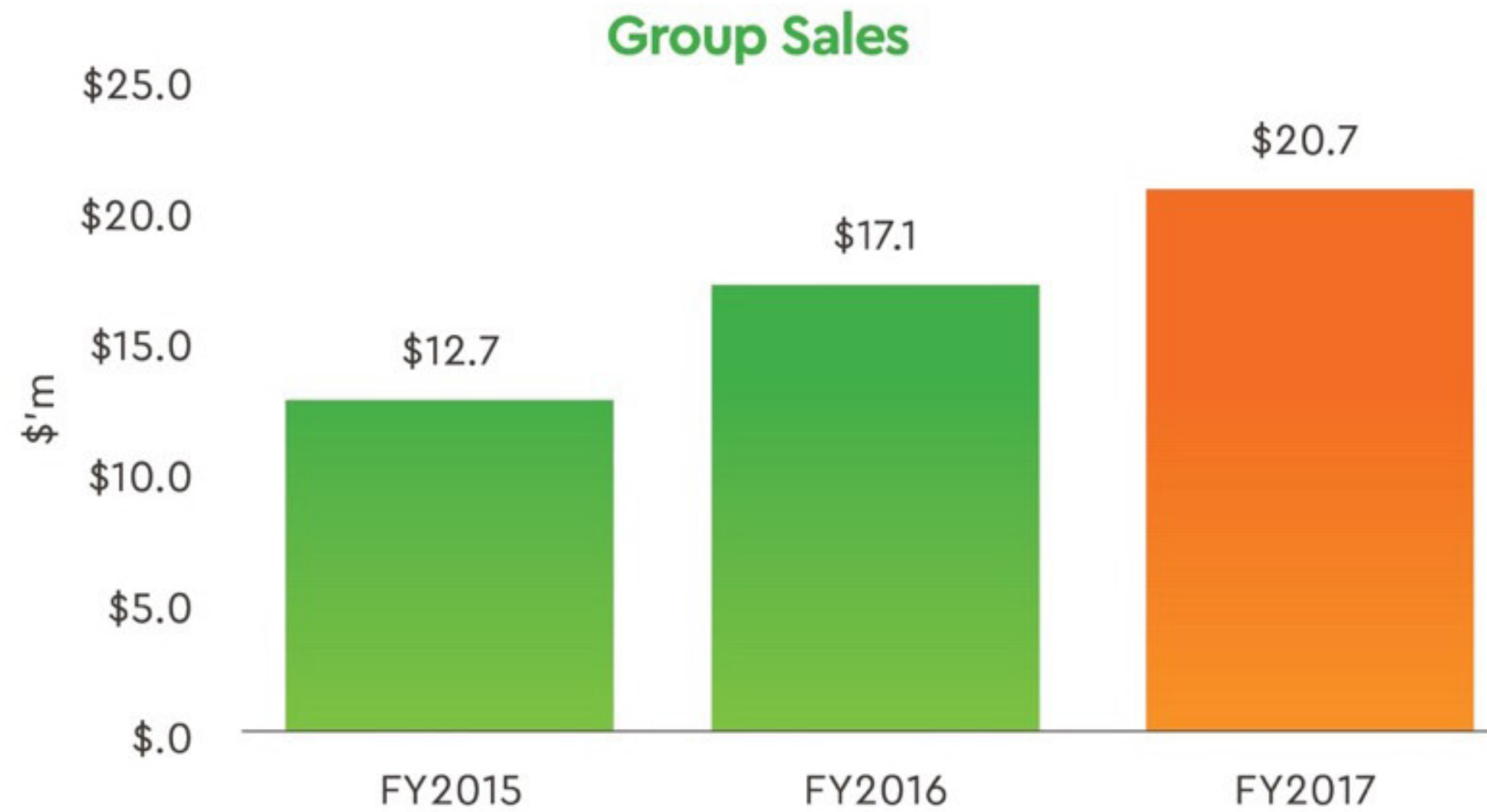
- Revenue up by 21.2% with same store sales up 5.2% for the year
- Gross margin up by 5.9% to 67.2% which was in line with the Prospectus
- Operating expenses up by 44.4% mainly due to additional costs incurred in anticipation of the IPO and additional resources for managing projected growth of the Oliver's store network
- 3 new stores opened and 1 store closed during the year - a total of 20 stores at year end

\*Normalised FY2017 EBITDA before IPO and other one-off costs was a loss of \$1.48m





## Trading Performance Sales



- Group sales up by 21.2% in FY2017
- Group sales up by 63.5% from FY2015 to FY2017 while store numbers increased from 12 to 20 for the same period
- Comparable sales growth in FY2017 was up 5.2%, driven by organic growth

TRADING PERFORMANCE SALES



## Balance Sheet

\$'000s	2017	2016
Cash and cash equivalent	6,344	839
Receivables	1,426	997
Inventories	1,341	948
<b>Total current assets</b>	<b>9,111</b>	<b>2,784</b>
Property, plant & equipment	10,737	4,007
Intangible assets	6,677	1,055
Deferred tax assets	572	144
Other non-current assets	428	429
<b>Total assets</b>	<b>27,525</b>	<b>8,419</b>
Payables	2,542	1,882
Borrowings	253	1,446
Provisions	235	465
<b>Total current liabilities</b>	<b>3,030</b>	<b>3,792</b>
Borrowings	110	908
Provisions	345	250
Deferred tax liabilities	61	47
Other non-current liabilities	159	308
<b>Total liabilities</b>	<b>3,705</b>	<b>5,305</b>
<b>Net assets</b>	<b>23,820</b>	<b>3,114</b>

- Cash position was \$6.3m as at year end
- Majority of borrowings repaid prior to year end and the remaining balances repaid on 3 July 2017, bank facilities have been retained
- Net assets increased to \$23.8m mainly due to the buyback of franchised stores and new stores opened



## Cash Flow

\$'000s	2017	2016
Cash used in operating activities	(2,145)	(1,060)
Net Finance costs	(413)	(269)
Tax paid	(77)	(49)
<b>Net cash used in operating activities</b>	<b>(2,635)</b>	<b>(1,378)</b>
Property, plant & equipment	(4,065)	2,510
Business	(8,107)	(659)
<b>Net cash used in / from investing activities</b>	<b>(12,172)</b>	<b>1,851</b>
Issuance of shares, net of costs	22,294	787
Share options	198	-
Repayment of borrowings	(2,180)	(944)
<b>Net cash from / used in financing activities</b>	<b>20,312</b>	<b>(157)</b>
Opening cash	839	523
<b>Net movement in cash</b>	<b>5,505</b>	<b>316</b>
<b>Closing cash</b>	<b>6,344</b>	<b>839</b>

- A total of \$22.3m was raised during the year, net of cost of capital raising
- Majority of borrowings repaid prior to year end with the remaining balances repaid on 3 July 2017
- Capital expenditure of \$12.2m during the year, mainly on store acquisitions and fit-outs



## Strongly Positioned to Achieve FY2018 Forecast

- The Board confirms the FY2018 Forecast in the Prospectus
  - Sales: \$41.9m
  - EBITDA: \$4.8m
  - NPAT: \$2.4m
- Year-to-date performance (2 months to August 2017)
  - Same stores' sales growth: 6.3% (ahead of forecast)
  - Gross margin: 74.9% (ahead of forecast)
  - Revenue marginally behind Forecast due to delay in opening 3 stores (Actual: 22 vs Forecast: 25).
  - Acquired 2 new existing quality QSR that were not in the Prospectus, but which became available once OLI listed on ASX, which will contribute to FY2018 and is expected to make up the delay in opening of 3 stores





## FY2018 FORECAST 33 STORES

- |                              |                             |
|------------------------------|-----------------------------|
| 1. WYONG NTH - AUG 2005      | 18. CHINDERAH - DEC 2016    |
| 2. WYONG STH - APR 2006      | 19. FERRY PARK - MAY 2016   |
| 3. HEXHAM - APR 2009         | 20. BALLARAT - JUN 2017     |
| 4. OFFICER OUT - DEC 2013    | 21. ARATULA - JUL 2017      |
| 5. OFFICER IN - JAN 2014     | 22. HORSHAM - AUG 2017      |
| 6. EASTLINK OUT - MAR 2014   | 23. MARYBOROUGH - FY18      |
| 7. GEELONG STH - JUN 2014    | 24. EUROA - FY18            |
| 8. GEELONG NTH - JUL 2014    | 25. PORT MACQUARIE - FY18   |
| 9. WALLAN NTH - DEC 2014     | 26. BULAHDELAH - FY18       |
| 10. WALLAN STH - DEC 2014    | 27. HALFWAY CREEK - FY18    |
| 11. EASTLINK IN - FEB 2015   | 28. LITTLE RIVER OUT - FY18 |
| 12. GUNDAGAI - JUN 2015      | 29. SUTTON FOREST - FY18    |
| 13. GOULBURN - JUL 2015      | 30. BATHURST - FY18         |
| 14. PENLINK OUT - SEP 2015   | 31. HATTON VALE - FY18      |
| 15. COFFS HARBOUR - DEC 2015 | 32. COONALPYN- FY18         |
| 16. PENLINK IN - JAN 2016    | 33. DUBBO - FY18            |
| 17. LITHGOW - MAY 2016       |                             |

Note: Circumstances may change and the Company may not necessarily open future sites in the order presented above and may substitute other locations for those listed above, at the sole discretion of the Board.



CHINDERAH NSW | OPEN 21 DEC 2016

→ FY2017 Sales since opening: \$0.8m, in line with forecast



FERRY PARK NSW | OPEN 1 MAY 2017

→ FY2017 Sales since opening: \$0.2m, ahead of forecast



BALLARAT VIC | OPEN 28 JUNE 2017



→ Opened ahead of schedule, no contribution to FY2017





→ Oliver's first Queensland store, no contribution to FY2017



HORSHAM VIC SITE



HORSHAM VIC | OPEN 18 AUG 2017



→ Example of an Oliver's rebranded store (previously a Red Rooster restaurant), no contribution to FY2017



## OLIVER'S MOBILE FOOD VAN

- Currently on site at Maryborough and trading well (not budgeted)
- Will move to Sutton Forest during the construction period



MARYBOROUGH QLD | OPENING SEP 2017

→ New rebranded store (previously a McDonald's restaurant)



PORT MACQUARIE NSW | UNDER CONSTRUCTION

→ Another Oliver's flagship store – to be opened by December 2017

## Land Sale Contributions

From time to time, the opportunity exists for us to purchase select 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.

For example, the property at Gundagai was sold in FY2016 for a profit of \$1.05m.

Oliver's is reviewing a few such opportunities.



SALE AND LEASE BACK

## Oliver's Technology Delivering Results

- Real-time access to all store metrics including sales, inventory (COGS) and labour
- Micro-level capture of transactions across the complete supply chain, allowing detailed analysis and identification of trends, purchasing levels and margin
- Just-in-Time (JIT) inventory management through tight integration with sales forecasts, logistics models and recipe management
- Ability to run detailed forecast models (new and existing stores) to predict revenue, inventory, labour and logistics performance and requirements
- Integrated with CBA Albert EFTPOS terminals, provided access to detailed consumer analytics via the CBA CommBiz platform
- With access to a data warehouse containing over 3 years of transactional history, the Oliver's platform allows for detailed analysis on store performance, enabling the management team to closely monitor KPIs and respond to issues quickly





## Online Sales Platform Gaining Momentum

- **Online Subscription Sales** have been initiated  
Customers now have the ability to order products via a regular subscription model i.e. Send me 100 coffee pods every month and charge my credit card.
- We now have **Multiple Payment Options** including Credit card, PayPal and Apple-Pay
- **Gift Cards** to be introduced before Christmas  
Digital and physical gift card purchase and redemption (in-store and online)
- **Store Locator Page:** this page is one of the most popular pages on our website
- **Analytics integration**  
Full integration with Google Analytics, allowing for detailed consumer analysis and targeting



ONLINE MARKETPLACE



## Oliver's Now Owns 100% of Red Dragon Organics

Specialist organic beverage manufacturer, Red Dragon Organics supplies:

- Organic Living Elixir
- Sugar Free Organic Living Elixir
- Organic Ginger Beer, and
- Organic Lemon, Lime & Bitters

Red Dragon supplies over 500 other retailers with beverages under the Red Dragon Organics brand.

Subsequent to year end:

- 2 new distributors, and
- 15 new café retailers



## Supply Chain Efficiencies are on Target

Oliver's expects continued economies of scale from the growth of the existing store network. These benefits include:

- Improved terms from suppliers
- Ability to amortise overheads over a large number of stores
- Greater utilisation of distribution centres, kitchens and transport vehicles
- Sourced directly from suppliers and increased category in private labels – resulted in significant cost savings
- Supply chain initiatives commenced in FY2017 continue to produce contribution in early months of FY2018



## Impact of Partnership

**Forge a strong relationship between the Australian cycling community and the Oliver's brand**

Cycling is one of Australia's key growth sports, with the latest findings showing that 19% (or 3.7 million people) of the population cycle regularly.<sup>1</sup>

**Promotion of cycling as a key part of a healthy lifestyle and an alternate transport option**

Cycling could save cities \$25 trillion and 10% of transport CO2 emissions by 2050.<sup>2</sup>

1. Roy Morgan Research (2015)
2. Union Cycliste Internationale (2017)



## OLIVER'S BOARD OF DIRECTORS

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**  
Non-Executive, Chairperson

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 Centers ranging from \$25 million to \$400 million in scale. Mark specialises in strategy development and implementation, organisational effectiveness and CEO mentoring. Mark has a BSc (Hons) in Chemical Engineering and an MBA from Stanford Graduate School of Business.



**JASON GUNN**  
Founder,  
Executive Director  
& CEO

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.

Before launching Oliver's Real Food Jason created Info-Link Building Information System Australia. Info-Link was successfully franchised internationally and sold to Reed Business Information Pty Ltd in 1997. Jason is a Graduate of the Australian Institute of Company Directors.



**KATHY 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 BCom in Economics and Marketing, is a CPM and a Graduate of the Australian Institute of Company Directors.



**JOHN DIDDAMS**  
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**  
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 frontline staff engagement. 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 a Graduate Diploma in Applied Corporate Governance and is a Fellow of the Governance Institute of Australia.

All Oliver's Directors are shareholders



**THANK YOU.**  
*Questions?*