



**THE FOOD
REVOLUTION
GROUP**

ASX Announcement

28 February 2018

The Food Revolution Group grows branded sales 37%

Highlights

- **EBITDA from operations increased 5% YOY (excluding R&D income and sale of NZ assets)**
- **Branded product net sales up 37%**
- **Net total sales up 11%**
- **Expenses reduced 15%**
- **Net assets increased to \$18M from \$10M**
- **Net tangible assets per share increased 254%**
- **Debt Reduced by \$556K**

Food and beverage processing company The Food Revolution Group (ASX: FOD) ("FOD" or the "Company") is pleased to provide its results for the half-year period ended 31 December 2017.

The period saw the Company grow EBITDA to \$1,018,174, up 5% from \$972,071 in the previous corresponding period and adjusting for R&D rebate that has not yet been received in 2018 and one-off gains with the sale of NZ assets.

The Food Revolution Group grew sales of its branded products 37% during the period, which helped drive net sales up 11% to more than \$17 million. The sales growth was driven by new products launched during the period and an increase in distribution.

The Company cut expenses 15%, or \$1.1 million, to \$6.25 million for the period through the reduction of operating and maintenance costs as well as lower administration and marketing costs.

Net asset value increased nearly \$8 million to \$18,059,681, driven by the revaluation of its plant and equipment up by \$10M offset with a deferred tax liability on these assets of \$3m.

The company reduced its debt by \$550K during the period. Debt levels are now at \$9.979M down from \$10.535M.

Net Profit After Tax (NPAT) was down 98% for the period, however this was due to delay in receiving R&D (\$1.8M in 2016) tax credit which will occur in the second half, a one-off gain of \$230K due to the sale of Roxdale, New Zealand asset, a one off income tax benefit of \$1M received in 2016, offset by a the losses in 2016 from discontinued operations.

Managing Director and CEO Bill Nikolovski said the Company's results from the period positioned The Food Revolution Group for further growth in the second half of FY18.

"We have worked hard in the first half to launch new products, which has included kombucha and a tea and coffee range as well as larger 1.5 and 2-litre versions of our juice products, and this has significantly

boosted our product sales, with our branded product sales up by 37% and our net sales up by 11%. We also grew our sales of ingredients.

“We are yet to receive our Research & Development income for the year, as it will be processed in the second half.

“With the divestment of some of the assets last year we focused on reducing costs in our operation. We have made some good progress and will continue to review all costs.

“We have lowered our debt levels by \$556K during the half.

“As we look to the second half of the year, we expect to launch more products in April, increase our distribution, diversifying into new categories, while also aiming to win more private label contracts, providing our products to our brands to sell.

“We will continue our focus on improving distribution into new channels..”

For more information, please contact:

Bill Nikolovski

Chief Executive

+61 3 9982 1451

bill@thefoodrevolutiongroup.com.au

About The Food Revolution Group

The Food Revolution Group Limited (ASX: FOD) is an Australian-based food processing company that uses a combination of conventional juice processing equipment and custom-developed equipment and processes to manufacture a range of high-quality juices, fibres, infused fruits, fruit waters and bioactives that are sold as branded products or ingredients to customers domestically and overseas. Its processing facilities are located in Mill Park, Victoria.

FOD is aiming to generate shareholder value through exploring opportunities for growth in the functional food, beverage and nutraceutical markets in Australian and key international markets.