

Freedom Foods Group

Presentation – UBS Food and Agribusiness

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3 Key Pillars to our Strategy

Capability



Innovation

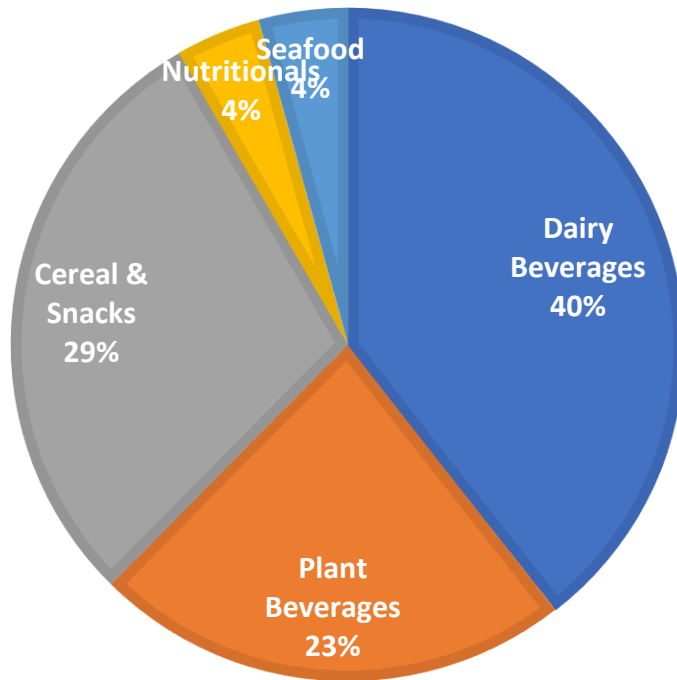


Markets



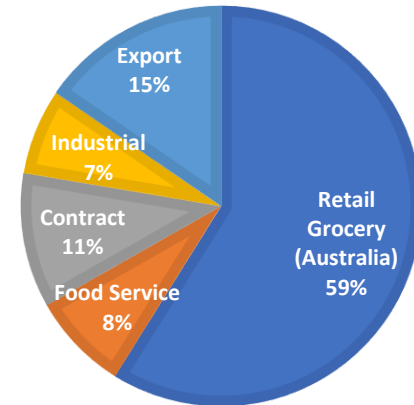
Sales Performance

FY 2018
\$353 MILLION
NET SALES BY BUSINESS GROUP

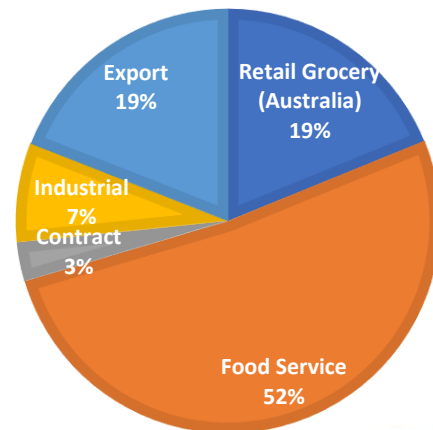


Source: FFGL Management Accounts

FY 2018
SALES BY SALES CHANNEL

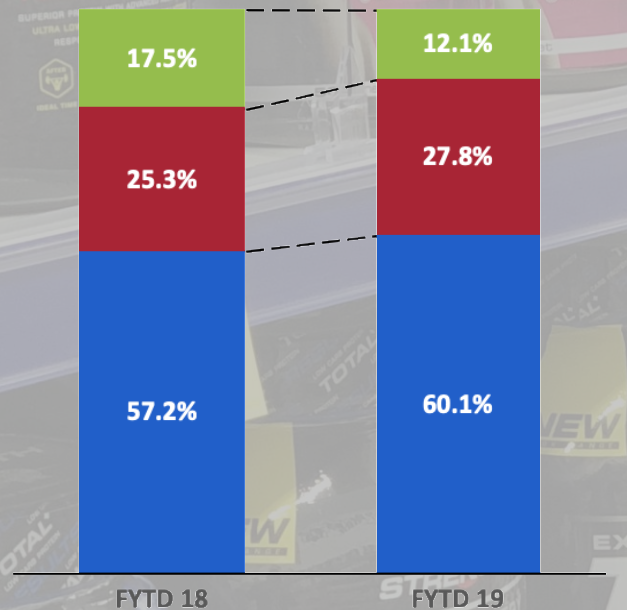


GROWTH RATES FY 18 % VS FY 17



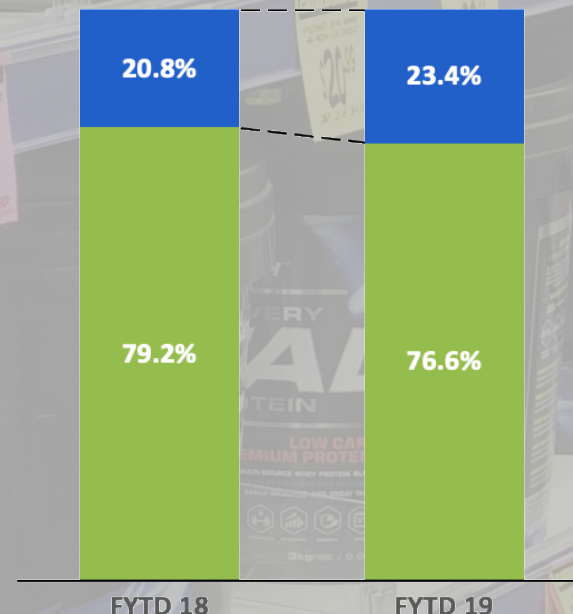
Driven by a focus on our brands & innovation

Branded sales now 60% of sales



Contract Private Label Proprietary

With NPD will representing over 20% of total sales

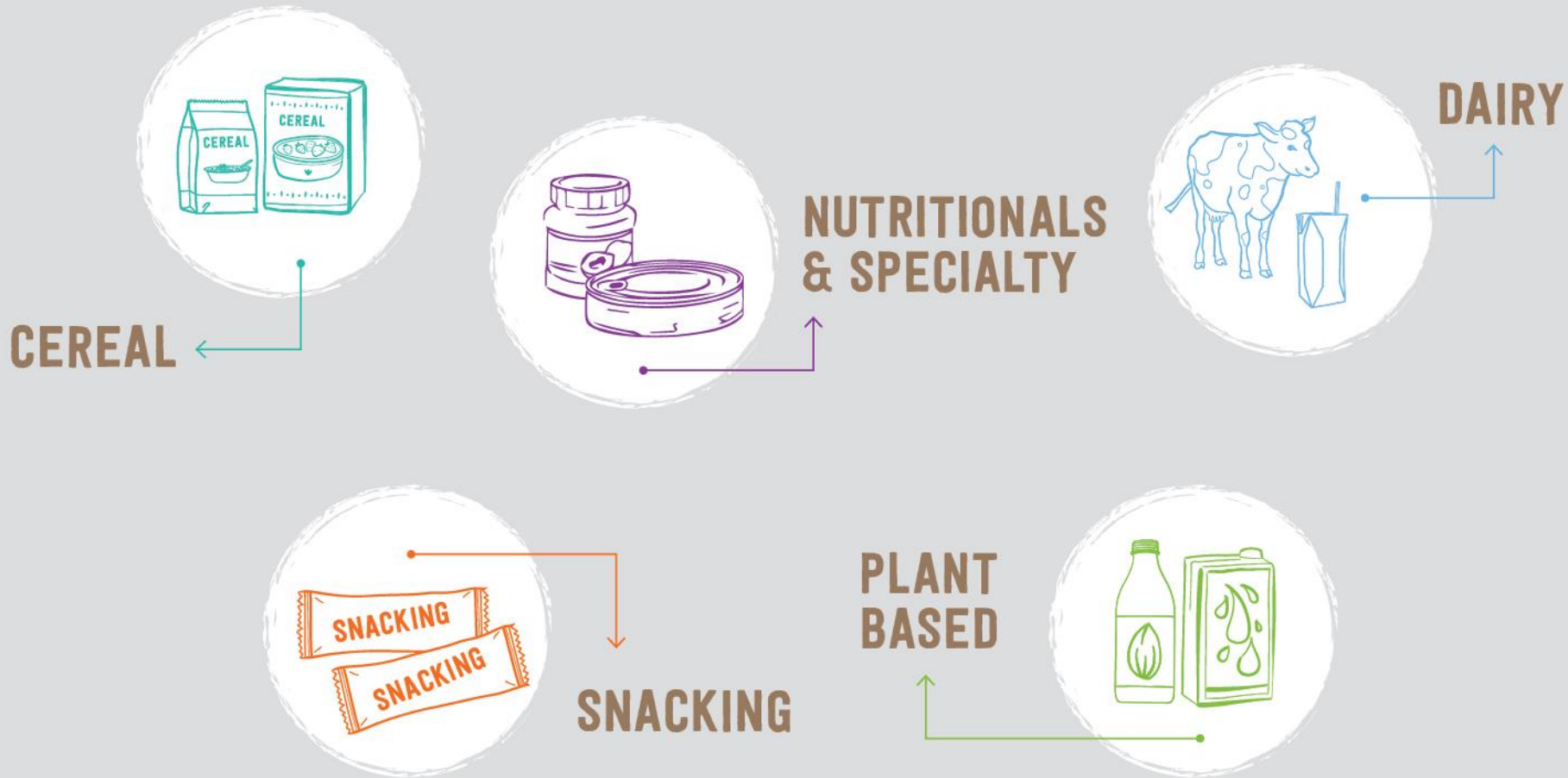


NPD Base

Source: Current FYTD 2019 gross sales growth vs FYTD 2018

Business Segments and Markets

WHAT DO WE MAKE?

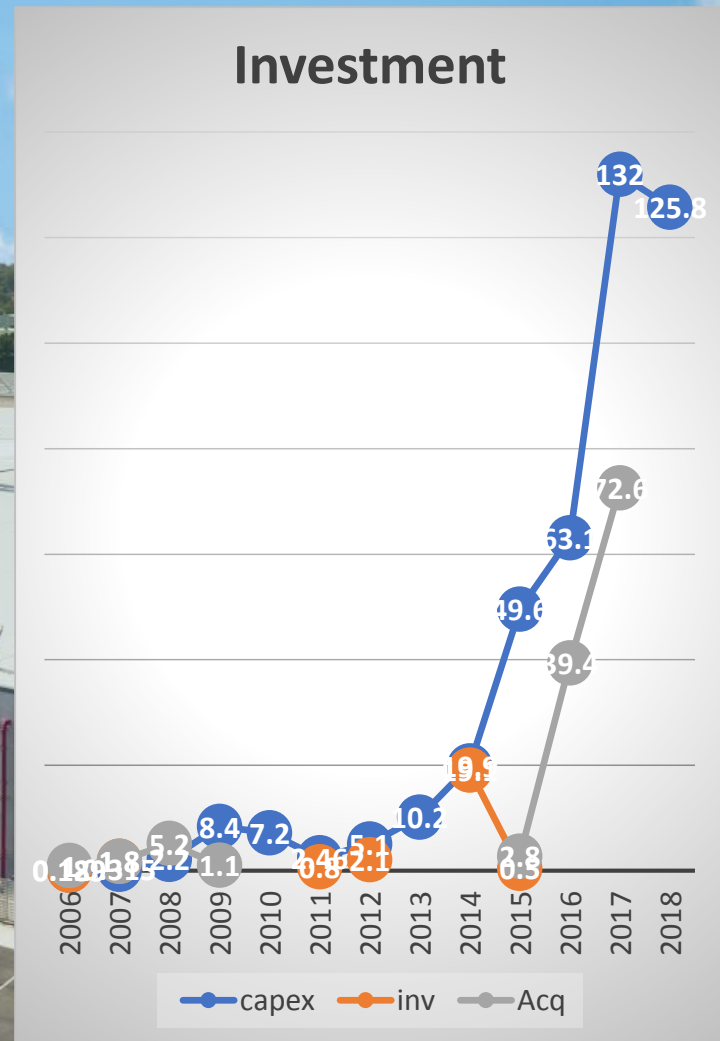


Key Markets



Investing in our Capabilities

\$350 Million
Over 3 Years
Investment
in New
Facilities and
Capabilities



No 1 in UHT Capability in Australasia

- Largest producer of branded and private label UHT milk in Australia
- Complementary production sites in Shepparton and Ingleburn
- Servicing Australia, NZ, China, SE Asia and Middle East



Ingleburn (Plant & Dairy)



- FY 2018, the Group relocated its Plant-Based Beverage operations from Taren Point to the new state-of-the-art UHT facility at Ingleburn in South West Sydney.
- The first stage installed UHT filling capacity at Ingleburn of approximately 80 million litres per annum.
- New installations included a 2 litre format capability for both dairy and plant-based applications, with capabilities for yoghurt processing will be completed by September 2018.
- Expanded filling capacity as at March 2019 is expected to be approximately 170 million litres per annum

Shepparton (Dairy)



- The Group is progressing with a significant capacity upgrade to its Shepparton dairy facility, with a total investment of approximately \$33 million to increase total dairy milk processing capacity to 500 million litres per annum.
- The expanded processing capability will provide increased flexibility to meet increasing demand for other value-added products streams including functional dairy-based beverages, drinking yoghurt and cream (packaged pouring and whipping cream)

Shepparton (Nutritionals)



- Shepparton Nutritionals capability well progressed
- 1st Stage commissioning due to commence from December 18



Brands Accelerating our Growth

Leveraging current and emerging trends in consumption

Led by our **two master** brands



freedom[®]
FOODS

Increased Investment in our Brands



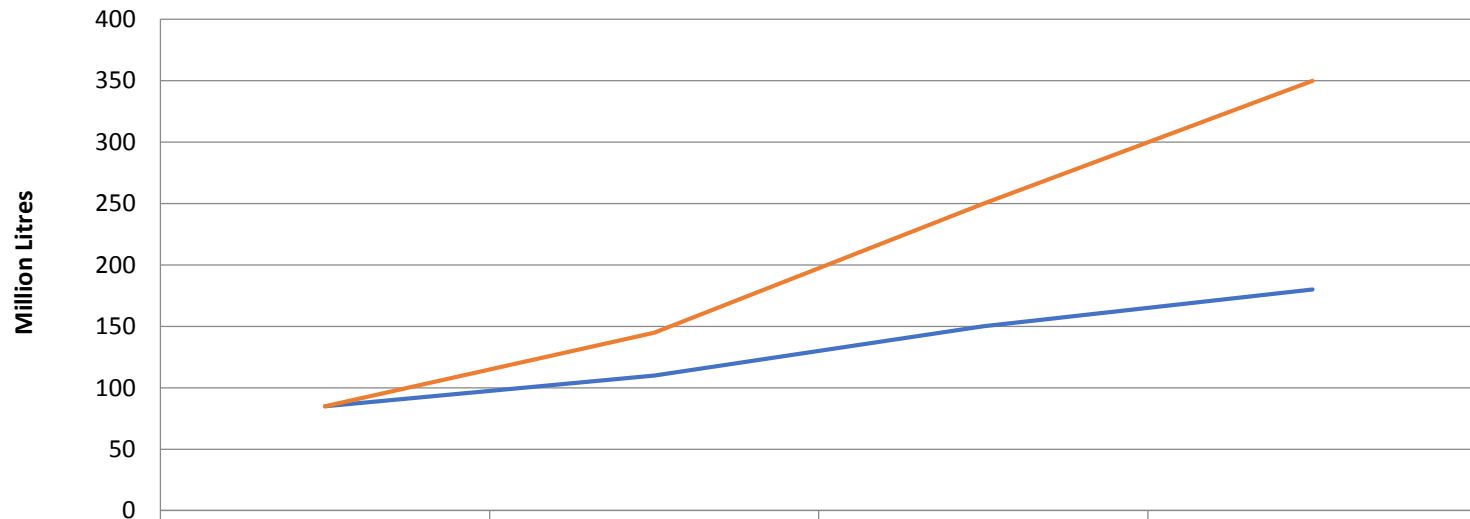
Value Added Dairy Platform

Value Added Dairy Platform



Accelerated Dairy Demand

Dairy Litres – All Sites



	FY 2017	FY 2018	FY 2019	FY 2020
FY 2017 Plan	85	110	150	180
Accelerated Plan	85	145	250	350

- Growth from category demand, new product development and impacts of structural change in Australia
- Category demand from Australia, SE Asia and China

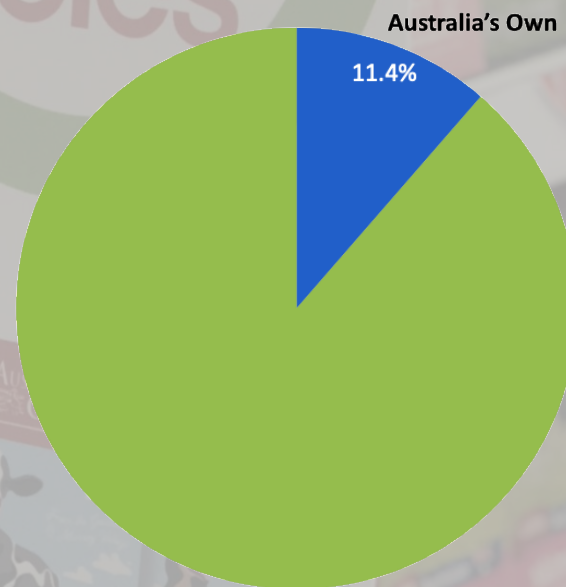
Note:

- FY 2017 3 Year Business Outlook
- FY 2018 Updated 3 year Business Outlook



11.4%
share captured
within 5 months of UHT
Dairy category

Manufacturer Value Share (RSV) of White Milk –
Australian Weighted Grocery FYT



Source: IRI Data Financial YTD to 28/10/18

AO KIDS MILK

No 1 Imported Kids Milk in China and this is just the start !

- The AO Kids Milk product has continued its strong growth trajectory, with the product now the largest imported kid's milk brand in China.
- Installation of high speed 200ml capacity at its Shepparton operation to provide for volume demand forecast in excess of 60 million packs in calendar year 2018.
- The Group expects the Kid's Milk product and other new product formats to be a significant contributor to growth and profitability.

+ 60 Million Packs in 2018
(from 30m Packs in 2017)





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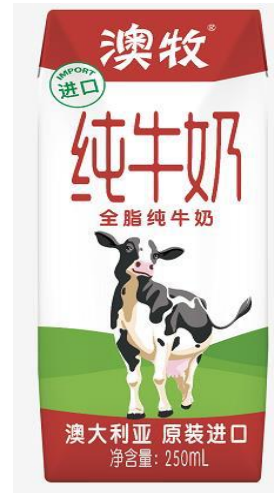
JLL: Investment on consumer activities



A2 Protein & Yoghurt Big bets in short term in China



Kid's Milk



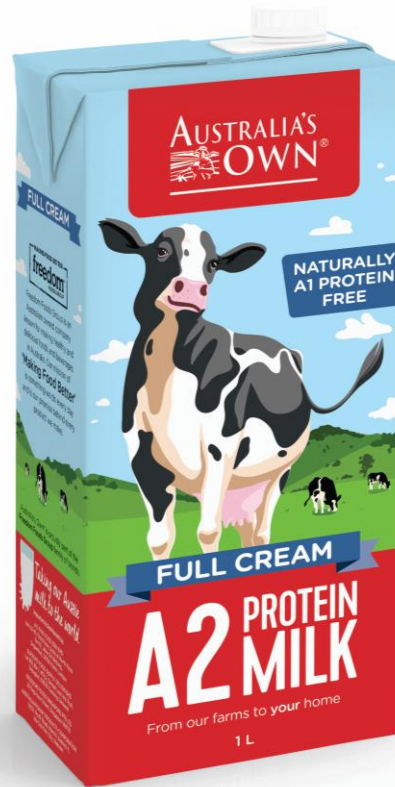
A2 Protein Milk



Yoghurt

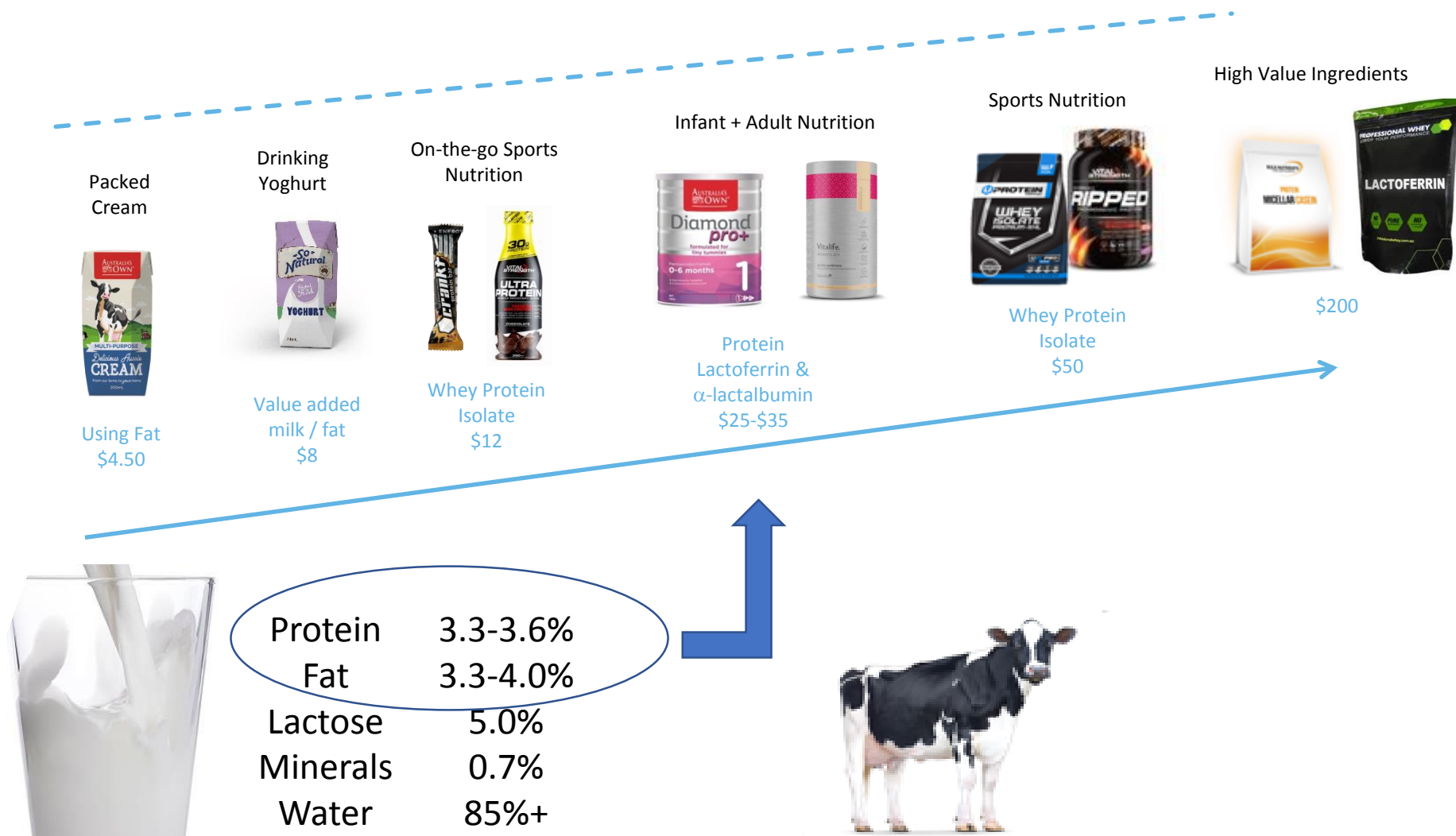
AO A2
Protein FC
250ml
Prisma
metallic to be
launched in
Nov 2019

AO ambient
yoghurt
planned for
launch early
2019



Today in Dairy

Tomorrow - Valuing Adding Dairy Ingredients



Vital Strength – Performance Nutrition

- The Vital Strength brand is recognised as a leader in high quality nutrition products, sold through retail grocery, pharmacy and fitness retailers in Australia.



Crankt Protein Brand



- The Crankt Protein range is sold through petrol and convenience, fitness retailers and retail grocery in Australia and New Zealand.
- The Crankt brand provides for an everyday mainstream consumer proposition, aligned to the Freedom Foods Vital Strength brand which is positioned as a premium brand in the sports and nutrition category.



Australia's Own Infant Nutrition



↖ formulated for tiny tummies

↖ tailored for growing toddlers

↖ balanced for little bubs

TODDLER MILK DRINKS



AUSTRALIA'S OWN Diamond pro+

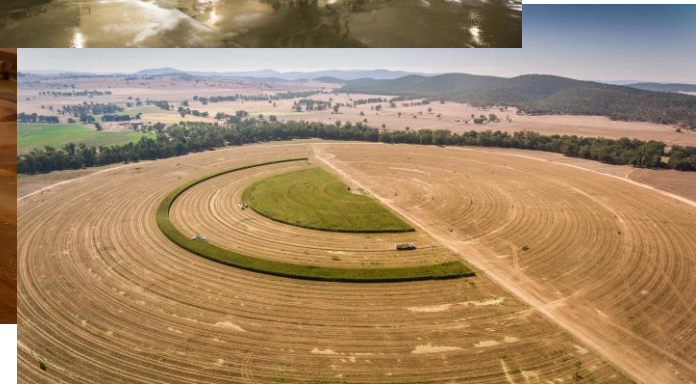
Prebiotics (GOS)	✓
Probiotics	✓ Bb Lactis 12 (BB-12)
Omega-3 Fats DHA	✓
Best Vitamin D Levels µg/100 mL	✓ 1.0
A2 Protein	✓
Australian Milk	✓
Made in Australia	✓
Australian Owned	✓
Free From Maltodextrin & Corn Syrup	✓
Free From Added Flavours	✓

Largest Australian Dairy Farming Operation



Perich, Moxey Family's and FFG

Largest Single site Dairy, Moxey Farms



Plant Based Beverages

Australia's Own



MILKLAB

- Strong growth in the high margin food service channel with MilkLab
- expanding the range of nut based beverage products under the MilkLab brand.
- MilkLab. MilkLab has secured ranging in key coffee chains including Starbucks in Malaysia.
- The MilkLab brand has the potential to be a leading global plant-based beverage brand in the milk for coffee markets.



Innovation in Plant Beverages



Consistent with its strategy to be a leading innovator in plant-based beverages, during the second half of FY 2018, the Group successfully launched the first pea protein milk in Australia, “Like Milk”, as well as 99% sugar free flavoured almond milks in 1 litre plastic bottle formats.



Cereal & Snacks



Category
Leader

freedom
FOODS





Turbo Charge Snacking



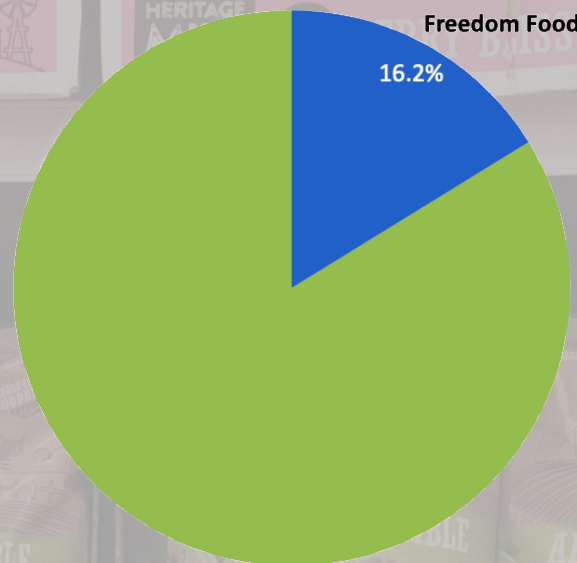
Disrupt Mainstream Cereal & Bars

freedom
FOODS

16.2%

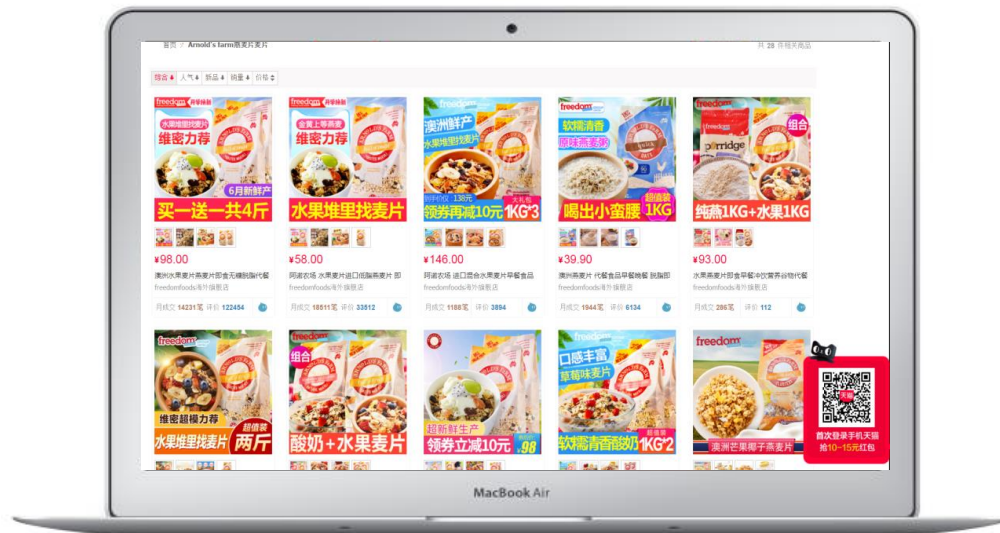
share captured
within 5 months of
Breakfast Cluster &
Muesli category in Coles

Branded Value Share (RSV) of Clusters & Muesli
– Coles Group Scan FYTD**



Source: Nielsen Direct Data Explorer Web Financial YTD to 13/11/18

Leading Brand on Tmall International





#7 selling food brand



&

freedom
FOODS

#5 most pre-ordered brand
on Singles Day on TMall Global



JV announced at CIIE to further
accelerate **Arnold's Farm** offline

TheLand – Part of Alibaba Group



- TheLand will distribute Arnolds Farm exclusively across online and offline Channels in China
- Current distribute range of dairy, water and beef products through 25 provinces across China
- 75% owned by Alibaba, with access to deep data capability and VIP consumers

More Branded Innovation in FY 2019



Outlook



- The Group is increasingly well positioned to strategically build into a major global food and beverage business with scale in key food and beverage platforms from key markets and channels in Australia / New Zealand, China, SE Asia and North America.
- As outlined in August 2018, the Group expects net sales revenue in FY 2019 to be in the range of \$500 to \$530 million.
- The Group continues to experience strong demand across its business activities in Australia, China and SE Asia
- New product revenue streams from major capital expenditure projects are expected to materially positively impact sales and earnings into FY 2020 and beyond.

