



THE **FOOD**
REVOLUTION
GROUP

INVESTOR
PRESENTATION

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WHO WE ARE

THE BEST WAY TO PREDICT THE FUTURE IS TO CREATE IT.

The Food Revolution Group (ASX: FOD) is an Australian public company that operates state-of-the-art fruit and vegetable processing facilities in Victoria, manufacturing a range of high quality juice fibres, infused fruits, kombuchas and waters.

These are sold as our own branded products and ingredients to other food producers to meet the needs of high growth Australian and international functional food, beverage, and nutraceutical markets.

Our capability allows us to contract, pack and manufacture private label products for both the domestic and overseas market.

FOD has significant distribution capabilities in China, Asia and domestically through Chairman and major shareholder Norman Li.



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INVESTMENT HIGHLIGHTS

POSITIONED FOR RAPID GROWTH AND PRODUCTION RAMP-UP

Established business with quality, natural products produced in Victoria

New distribution deals to grow demand and utilise full production capabilities

Strong existing Australian customer base - \$35m sales and \$4.5m EBITDA

\$20m strategic investment and partnerships to expand into Chinese and Asian markets

Short-term sales target of \$100m
5-year sales target of \$500m



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THE FUNCTIONAL FOOD MARKET

A GROWING SECTOR

KEY MARKET OBSERVATIONS

- **Functional food is growing**
- Snacking, on the run & convenience
- Natural
- Country of Origin

OUR MARKETING AND BRANDING

- On trend
- Innovative packaging and branding
- **Disruptive and innovative in large categories** that have had little innovation e.g. juice, supplements, skin care

KEY STRATEGIES

- Concentrate on functional food- Food Supplements
 - Beverages/ Oil
 - Sachets
 - Supplements
- Consolidate Domestic market
- Enter the Chinese market using distribution partners



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RISE AND SHINE
AUSTRALIAN NAVEL ORANGE
GOULBURN VALLEY PEAR
COCONUT WATER
MANGO
PASSIONFRUIT
LEMON



VALUE PROPOSITION

POSITIVE
GROWTH

WHOLESALE INGREDIENTS

- Contract juicing and bottling services
- Heinz Co-Pack (CPA) and Preferred Supplier Agreement (PSA)
- Sale of citrus oil
- Japanese cold pressed canola oil

THIRSTY BROTHERS NATURAL BEVERAGE RANGE

- A range of functional beverage products & brands 27 products launched in over 2000 outlets
- Constantly innovating
- Growing into Route, Independents & P&C
- Looking to enter new categories
- Launched into ambient market

SALES OF THIRSTY BROTHERS PRODUCT RANGE TO CHINESE

- Leverage distribution partners
- Careline has its own direct channels into China with 10,000 distributors and expected to grow to 30,000 in next few years

SUNK PLANT CAPITAL COST

SHARED OPERATING COST

MULTIPLE REVENUE STREAMS

CLEAR COMPETITIVE ADVANTAGES

EXPOSURE TO HIGH GROWTH MARKETS

A VERTICALLY INTEGRATED BUSINESS MODEL

PRODUCTION CAPACITY TO SUPPORT FUTURE GROWTH



MILL PARK PROCESSING CAPABILITIES

- Juice extraction (80kt pa) & cold pressed oils
- Cold & ambient storage and distribution
- Combination technologies & micro-dosing
- Bottling (50m litres pa)
- Chromatographic separation
- Operational leverage over fixed cost base
- On cost, quality and efficiency
- Emphasis on quality assurance and compliance with key government certifications
- Opportunities to insource and process further fruits
- Recent capital investment in extraction technologies

SECURITY OF SUPPLY

80% of annual volume is under contract to our growers.



OUR CUSTOMERS

EXISTING



DOMESTIC GROWTH: PETROL & CONVENIENCE



NEW CATEGORIES

Plant-based milks, function beverages, oils, ambient market



New Product Development Continues

AMBIENT JUICE



CARBONATES



Healthy Hydration



COFFEE & TEA



SPORTS DRINKS



KOMBUCHA



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JUICE LAB upgraded



Next Phase of Growth

CARELINE DISTRIBUTION AGREEMENT & \$20M STRATEGIC INVESTMENT

- Strategic distribution agreement with Careline Australia to move into the Chinese market
- Careline founder Norman Li appointed Chairman
- Norman Li introducing business partners with Distribution channels as a part of his investment
- Strategic investment of \$20.25m led by Mr. Li

Significant Chinese
distribution
opportunity

FOD to utilise
Careline's 10k+
strong daigou
distributor network

Careline incentivised
to grow FOD's sales
to reach \$100m in
short-term

5-year goal of \$500m
revenue

Norman Li has 20+
years experience in
growing Asian export
businesses

TIMELINE OF RECENT MILESTONES – DOMESTIC AND CHINESE DISTRIBUTION GROWING SIMUTANEOUSLY

- September 2018 – executed strategic Chinese distribution agreement and investment of A\$20.25 million with Careline’s Norman Li
- September 2018 – Norman Li/Careline incentivised to rapidly grow FOD’s sales through distribution and product expansion from c. A\$35 million to between A\$100M and A\$500 million
- September 2018 – Preeminent Australian managers Perpetual and SG Hiscock become shareholders
- October 2018 – FOD increases distribution and launches new products with Woolworths – resulting in net revenue increase of A\$5 million
- November 2018 – First two tranches of A\$20.25 million investment received and Norman Li appointed Chairman
- November 2018 – FOD receives CIQ for Fruit Farm Orange Juice within 10 days
- November 2018 – FOD executes with landmark distribution deal with Sinopec for Australian Canola Oil (China’s largest O&G company with over 35,000 petrol and convenience stores)
- November 2018 – FOD wins supply contract to supply Aldi Apple Mango juice, expanding its domestic distribution and further enhances its brand presence for the Asian markets
- November 2018 – FOD secures contract with JJ Global Fine Foods to supply Fruit Farm orange juice products throughout its high-end hotel distribution channels in mainland China

Strategy on Product Range going forward

1. Focus on products that can be sold in both domestic and Chinese markets.
 - Serve size
 - Volume
 - Flavours
 - Recipe
2. Commercialise oil products.
 - Canola oil- a priority
 - Olive oil and SoyBean
 - Infused
3. Food supplements in sachet approx 30 ml
 - Skin care
 - Gut health
 - Womens health
 - Men's health
 - Kids range
 - Sleep
 - Probiotic
 - Protein
 - Energy
4. Value add in packaging- premium packaging.

CIQ Approval

- 1st products were approved in less than 10 days
 - Fruit Farm Orange juice approved.
 - Fruit Farm Apple juice in process

To come:

- Thirsty Brothers range-
- Australia's Garden range- Oil
- The Juice lab
- Sachet Brand yet to be announced

SINOPEC DISTRIBUTION AGREEMENT

Memorandum of Understanding (MoU) signed with Sinopec, the world's largest oil refining, gas and petrochemical company.

- Sinopec to sell FOD's 'Australia's Garden' canola oil products across its 35,000+ petrol and convenience outlets in China
- Distribution expected to commence in early 2019
- Relationship with Sinopec anticipated to lead into the distribution of other FOD products



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Pipeline of opportunities – A LOT ON

1. Sinopec- commercialise and grow
2. JD shop to be established.
3. T-mall shop to be established.
4. Develop distribution partnerships to allow us to enter and manage retailers, hotels and other Retailers.
 - JJ Global to enter hotels- Deal announced
 - Costco China- In discussions
 - Distribution partners introduced by Norman Li
5. Careline network-
 1. Sachets
 2. Cleanser packs- 6 pack of Juice lab products
 3. OJ and oil.
6. Direct to China
 - Bailian- in discussions
 - Dashang Group - in discussions
7. New products in local markets
 1. Juicery- Cold filled ambient Route launched and grow to China
 2. Bush Tucker Launch in Feb
 3. New Juice Lab pack Launch in Feb
 4. Pea Protein smoothies Launch in Feb








Operational Strategies

- Review product range
- Rationalise number of production skus eg bottles
- Develop China customer service and marketing group.
- 2 new sales managers appointed to manage local clients.
- New sachet machines up and running
- Buy and install sachet machines and shot machine
- Review plant allergen strategy
 - Allows us to process additional products on site
- Acquire Organic certification

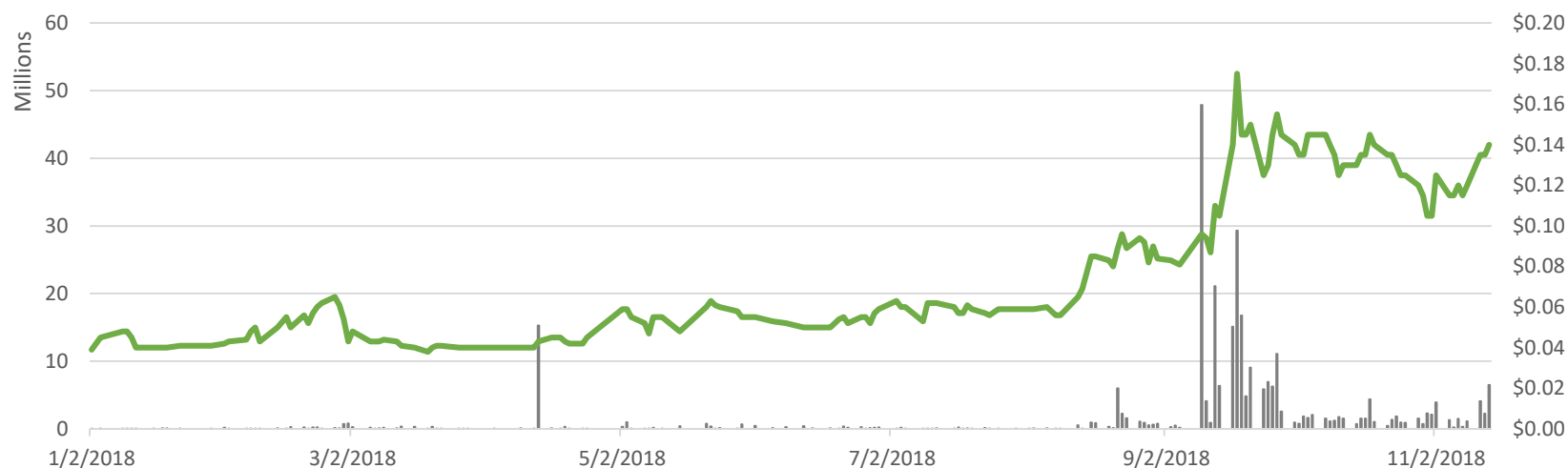
TGA approved site

- FOD will look at the feasibility of establishing a TGA facility at Mill Park

INDUSTRY PEER COMPARISONS – FY18

	 THE FOOD REVOLUTION GROUP	 Keytone Dairy	 WattleHealth®	 bubs	 freedom foods	 BELLAMY'S ORGANIC <i>A pure start to life!</i>	 THE a2 MILK COMPANY® FEEL THE DIFFERENCE
Market Capitalisation <i>BB 29/08/18</i>	\$35.5m	\$54.7m	\$254.8m	\$304.6m	\$1,478.5m	\$1,350.0m	\$9,462.6m
EV <i>BB 29/08/18</i>	\$43.5m	\$55.2m	\$245.2m	\$299.3m	\$1,616.2m	\$1,267.7m	\$9,122.2m
Gross Sales or Gross Cash receipts	\$35.6m	\$1.9m	\$1.4m	\$16.0m	\$353.0m	\$328.7m	\$922.7m
EBITDA or Operating Cashflow	\$4.5m	(\$0.9m)	(\$7.2m)	(\$12.9m)	\$38.8m	\$70.6m	\$283.0m
EV/EBITDA	9.7x	-	-	-	40.9x	14.5x	23.8x
Price/Sales	1.0x	28.8x	112.4x	17.6x	4.2x	4.0x	9.4x

CORPORATE SNAPSHOT



CAPITAL STRUCTURE

Ordinary Shares	499.06m
Share Price (as at 22.11.18)	\$0.16
Market Capitalisation	\$79.9m

**310 million shares to be issued as part of strategic investment
 **190 million shares to be issued as part of strategic investment
 Subject to shareholder approval*



DIRECTORS AND MANAGEMENT

Executive Chairman	Norman Li
Non-Executive Director	Matt Bailey
Non-Executive Director	Minna (Norman) Rong
Chief Executive Officer	Bill Nikolovski
Chief Financial Officer & Company Secretary	John Fitzgerald
Chief Operating Officer	John Florey

FY19 OBJECTIVES

- First strategic objective is \$100 million revenue target
- Further progress numerous major China-related distribution deals i.e. Sinopec
- Progress strategic partnership with Health More
- Continue new product innovation and development
- Diversify into new categories, with products already developed, such as canola oil
- New product launches planned
- Win more private label work
- Continue focus on Petrol and Convenience & Route markets via strategic partners



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CONTACT US

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APPENDIX: FY18 FINANCIAL SUMMARY

- Net sales up by 5%, driven by branded product sales and distribution.
- Gross Margin healthy at 39%. Lower than last year due to different product mix and wider product portfolio and sale of LTC
- Expenses down by \$2M or 15%
- EBITDA stable (after a Provision for impairment of assets of \$865K)

	YEAR ENDED 30 JUNE 2018 \$'000	YEAR ENDED 30 JUNE 2017 \$'000	% CHANGE
Net Sales	\$33,125	\$31,662	5%
Gross margin	\$13,207	\$15,192	-13%
Other income	\$3,159	\$2,518	25%
Expenses	\$11,760	\$13,767	15%
EBITDA from operations	\$4,534	\$3,968	14%
Depreciation & Amortization	\$1,598	\$2,045	-22%
Interest	\$627	\$616	2%
R&D tax Income	\$1,932	\$1,829	6%
Income tax benefit	\$1,160	\$653	68%
NPAT	\$2,222	\$1,748	27%

APPENDIX: BALANCE SHEET

	AS AT 30 JUNE 2018 \$'000	AS AT 30 JUNE 2017 \$'000
Current Assets	\$10,350	\$11,651
Non-Current Assets	\$29,684	\$16,878
Total Assets	\$40,034	\$28,529
Current Liabilities	\$17,037	\$11,174
Non-Current Liabilities	\$3,014	\$6,987
Total Liabilities	\$20,051	\$18,162
Net Assets	\$19,983	\$10,367

- Balance sheet improved
- Net assets increased to \$20M
- Re-evaluation of plant and equipment by \$10M, less deferred tax liability of \$2.9M