



**\$2.5 million**  
EBITDA  
FY24 pro forma full year



**Implied 4.0x**  
Forward pro forma  
EBITDA multiple



**Vertically integrated**  
pie & cake  
manufacturing



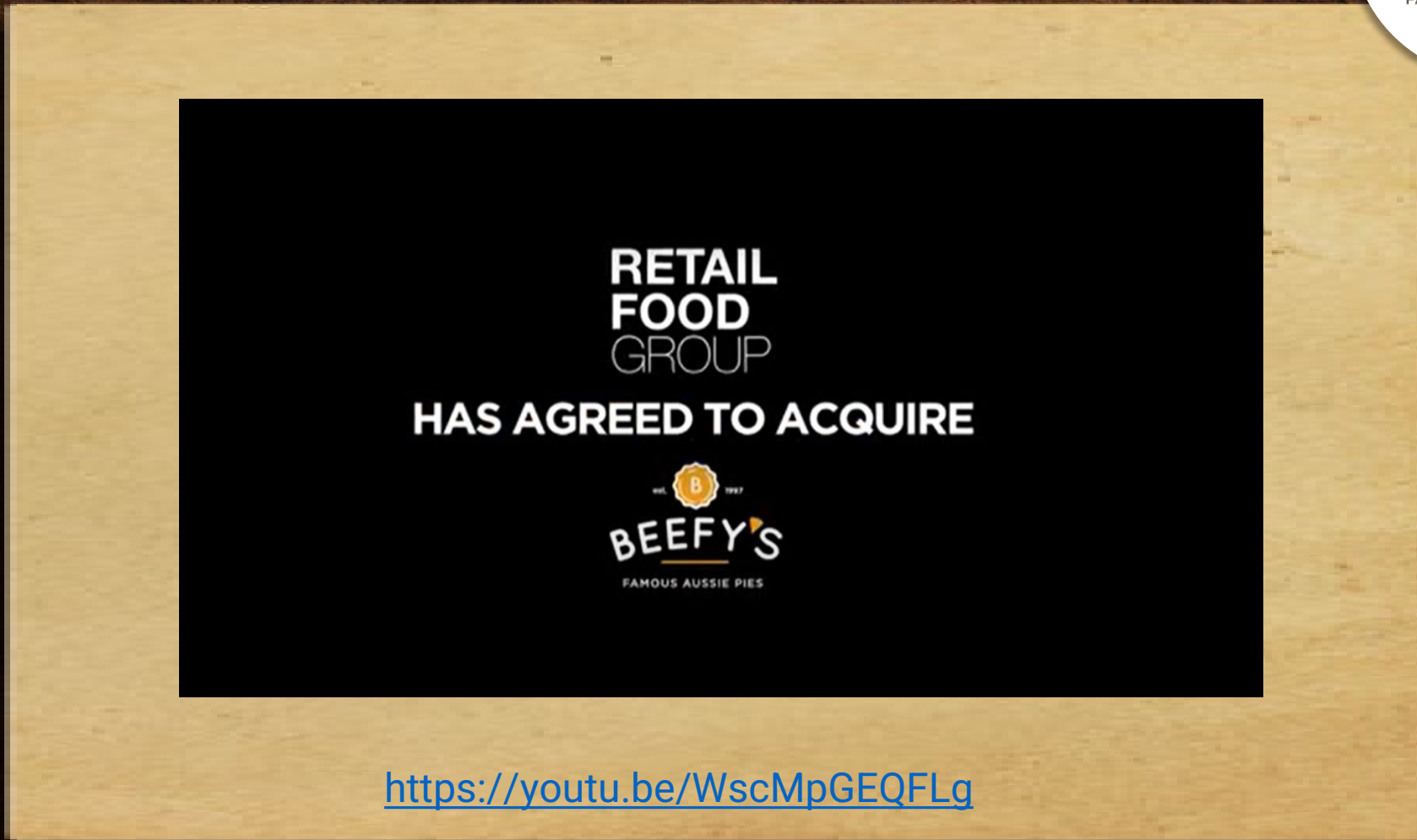
**Expands company store**  
division by  
**9 retail outlets**



**Immediate organic**  
outlet growth  
opportunities



# We welcome Beefy's to the Group



<https://youtu.be/WscMpGEQFLg>

# Acquisition of Beefy's Pies

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## Transaction Details

- RFG has signed an agreement to purchase the trade & assets of Beefy's Pies ('Beefy's') including the share capital of Beefy's Pty Ltd which owns the Intellectual Property for total consideration of \$10 million ('Acquisition'). Total consideration includes an upfront cash payment of \$5.5 million and \$2.0 million in RFG equity alongside deferred cash payments of \$2.5 million over the 12 months post completion.
- Implied Acquisition forward multiple of approximately 4.0x Enterprise Value / FY24 forecast pro forma EBITDA for the 12 months ending 30 June 2024.

## Beefy's Overview

- Beefy's was established in 1997 and has evolved to be a leading manufacturer and retailer of pies and bakery goods on the Sunshine Coast with a well established brand.
- Beefy's operates 9 retail locations between Brisbane and Gympie supported by a factory at Kunda Park. Retail locations serve both returning customers (e.g. Buderim town center) and impulsive purchases (e.g. Glasshouse Mountains Bruce Highway).

## Transaction Strategic Rationale

- **Reliable earnings profile:** Beefy's is forecast to generate Revenue of approximately \$18 million and EBITDA of \$2.5 million in FY24 on a pro forma basis.
- **Expands RFG Company Stores:** All Beefy's outlets are corporately owned and high performing with established teams in place. RFG currently operates 41 company outlets across our Donut King, Gloria Jeans and Brumby's brands with Crust and Rack 'em Bones to open in Q2.
- **New Outlet Expansion:** Beefy's is primed for further outlet expansion with a strong brand, regular and consistent customer feedback requesting more outlets and minimal complexity in food retail requirements meaning many locations are suitable.
- **Economies of Scale:** RFG can deploy our existing systems, e.g. in leasing, procurement and technology to assist the Beefy's team in growing their network.
- **Opportunity to Franchise:** Opportunity to franchise the brand in the future.

# Acquisition of Beefy's Pies

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## Acquisition consideration

- Total consideration of \$10 million
- Upfront cash payment of \$5.5 million
- 33,333,333 RFG shares (\$2.0 million) to be issued to the vendors at 6.0c / share (calculated at a 10 day VWAP to 28 November) following the completion of conditions subsequent including retail lease assignments and subject to Boards discretion to pay in cash. RFG shares issued will be subject to a 12 month trading lock.
- Deferred cash payments of \$2.5 million over the 12 months post completion

## Acquisition Funding

- The upfront cash component and transaction costs is to be funded by a combination of:
  - Existing RFG cash on hand
  - Our existing credit facility ('Facility B') has been extended by \$20 million, within the framework of our existing Senior Secured Term loan. We are pleased to continue to enjoy the support of Washington H. Soul Pattinson for our debt requirements.
  - Initially the facility will be partially drawn with the facility to support working capital and future growth.
- The deferred cash payments are expected to be funded from operating cashflows and available debt capacity
- RFG does not envisage any immediate requirement to raise capital to fund current growth plans

## Financial Impact

- The Acquisition is expected to deliver 0.2c EPSA accretion in FY25 pre synergies and before transaction costs
- Pro forma FY24 earnings are forecasted at revenue of approximately \$18 million and EBITDA of \$2.5 million
- Beefy's is expected to be consolidated into FY24 results from mid December 2023 with a FY24 benefit to the Group of \$8 - \$11 million revenue and \$1.0 - \$1.5 million EBITDA
- Transaction costs of approximately \$0.5 - \$1.0 million incurred in connection with the acquisition
- Net debt / Pro forma FY24 EBITDA of less than 0.5x expected

## Timing and Conditions

- RFG will complete the acquisition and take control of the key assets of Beefy's effective mid December. RFG will consolidate the results of Beefy's from this date.
- No regulatory change of control approvals are required



# Beefy's at a glance

- Established in 1997<sup>1</sup>, BEEFY'S is a family owned business who strive on making great quality products
- Key products are manufactured in house at their factory on the Sunshine Coast. Vertical integration of manufacturing ensures they deliver their vision of 'Bigger, Better, Beefier Meat Pies – Guaranteed'
- In 2022, the Beefy's Signature Steak was awarded GOLD in the National Competition (8 years in a row)<sup>2</sup>
- Operating 9 company store retail locations on the Sunshine Coast, Beefy's are ready for expansion throughout Queensland, particularly SEQ.

**\$16.4m**

FY23 REVENUE  
(UP 14.5% ON FY22)

**\$2.2m**

NORMALISED PRO  
FORMA FY23 EBITDA

**12%**

YTD (Jul-Oct) FY24  
SSS GROWTH ON  
FY23





# Key Investment Highlights

## Reliable earnings profile and forecast growth in existing store network.

Beefy's is forecast to generate Revenue of approximately \$18 million and EBITDA of \$2.5 million in FY24 on a pro forma basis.

## Expands RFG Company Store division

All Beefy's outlets are corporately owned and high performing with established teams in place. RFG currently operates 41 company outlets across our Donut King, Gloria Jeans, Brumby's, Crust and Rack 'em Bones.

## Future Opportunity to Franchise

We believe the brand is suitable for franchising in the future which unlocks further growth opportunities.

## Economies of Scale

RFG can deploy our existing systems, e.g. in leasing, procurement and technology to assist the Beefy's team in growing their network and expanding margins.

## New Store Expansion

Beefy's is primed for further outlet expansion with a strong brand, regular and consistent customer feedback requesting more outlets and minimal complexity in food retail requirements meaning many locations are suitable. Beefy's has a strong brand presence in the fast population growth area of South East Queensland.



# Customer Research



In the Sunshine Coast LGA, **prompted brand awareness is 90%** (64% awareness NET across all respondents)



Source: Stellar Research, n=317 Panel conducted in Brisbane, Sunshine Coast, Somerset and Moreton Bay Local Government Authorities (LGA).

**RETAIL  
FOOD  
GROUP**



## Beefy's is well known and loved in its Sunshine Coast heartland



**73%** of Beefy's customers are either **likely** or **very likely** to return to Beefy's in the future (versus 42% for a competitor).



**75%** of Beefy's customers are either **likely** or **very likely** to recommend Beefy's to friends and family (versus 45% for a competitor).



Of the respondents living in the Sunshine Coast region (the closest proximity to a Beefy's), **68%** have purchased bakery items from the brand, and **36%** have purchased within the past three months.



Of all respondents in the Sunshine Coast LGA, **71%** would consider purchasing from Beefy's



## Brisbane is an immediate customer growth opportunity



Of the Brisbane respondents who had tried Beefy's, **78%** are either **likely** or **very likely** to return to Beefy's in the future



Of the same Brisbane respondents, **81%** rate 'value for money' as a key driver of their Beefy's purchase experience

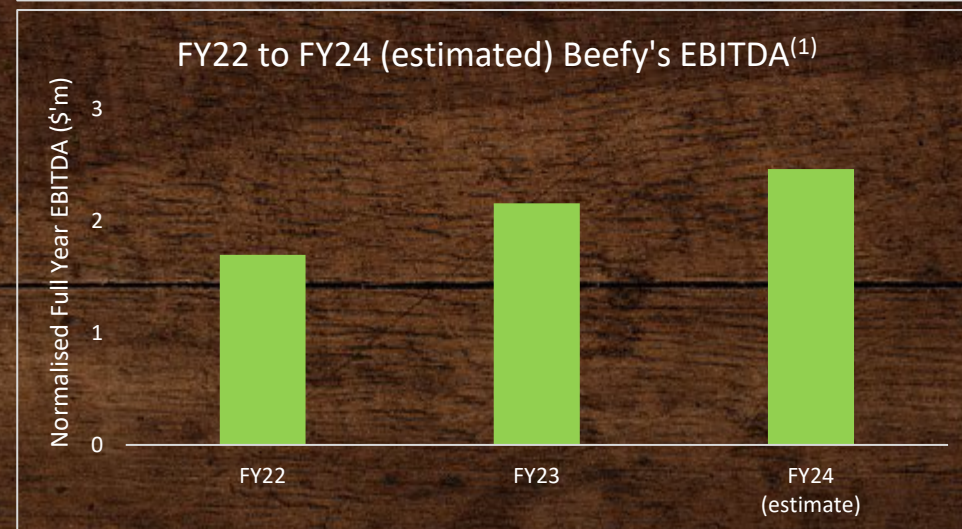
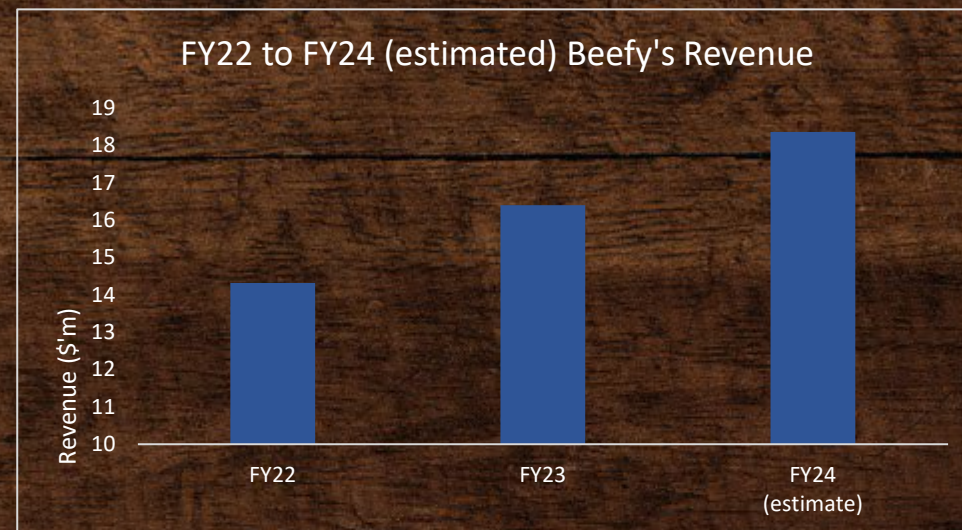


**93%** of Brisbane's Beefy's customers say that Beefy's is a reputable brand



# Financial Summary

	FY22	FY23	FY24 (estimate)
<b>Revenue</b>	<b>\$14,319</b>	<b>\$16,401</b>	<b>\$18,367</b>
<b>Gross Profit</b>	<b>\$ 8,003</b>	<b>\$ 9,100</b>	<b>\$10,286</b>
<i>Gross Margin</i>	55.9%	55.5%	56.0%
Labor	(3,698)	(4,283)	(4,775)
<i>Labor as % of Net Revenues</i>	25.8%	26.1%	26.0%
Rent <sup>(2)</sup>	(1,146)	(1,176)	(1,286)
<i>Rent as % of Net Revenues</i>	8.0%	7.2%	7.0%
Other Expenses	(1,461)	(1,484)	(1,763)
<i>Other Expenses as % of Net Revenues</i>	(10.2%)	(9.0%)	-9.6%
<b>Normalised EBITDA<sup>(1)</sup></b>	<b>\$1,699</b>	<b>\$2,158</b>	<b>\$2,462</b>
<i>EBITDA Margin</i>	11.9%	13.2%	13.4%



(1) Normalised EBITDA includes adjustments to non-recurring vendor expenses. FY24 estimate is for the twelve months ending 30 June 2024 notwithstanding that Beefy's will be consolidated into RFGs financial results from 11 December 2023.

(2) Rent shown is on an pre-AASB16 accounting basis

Source: Beefy's management and statutory accounts, Due Diligence information, Management Estimates



# Acquisition Financing

CONSIDERATION ELEMENT	TIMING	RFG FINANCING
<b>Upfront Cash</b> \$5.5 million	December 2023 dependent upon the completion of various conditions precedent to the transaction	Financed by cash on hand supported by a \$20 million Facility B extension to RFG debt facility borrowed from Washington H. Soul Pattinson
<b>RFG Equity</b> \$2 million	Expected between December 2023 & March 2024 dependent upon the timing of retail lease assignments	RFG to issue new script at a 10 day VWAP to 28 November 2023, or payable in cash at RFG's election
<b>Deferred Cash</b> \$2.5 million	<ul style="list-style-type: none"><li>• \$0.5m over the 12 months post completion; and,</li><li>• \$2.0m 12 months after completion of the transaction.</li></ul> Dependent upon timing of retail lease assignments	Financed by cash on hand and generated over the trading period, supported by a \$20 million Facility B extension to RFG debt facility borrowed from Washington H. Soul Pattinson



# \$20m undrawn Facility B Extension to Debt Funding

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- RFG continues to enjoy debt financing support from Washington H. Soul Pattinson ('WHSP')
- WHSP remain a significant shareholder in RFG and provide our debt financing
- RFG agreed a Facility A debt facility of \$20 million with WHSP in April 2023 which was fully drawn in April 2023
- Subject to standard conditions precedent, Facility B agreed for a committed flexible line of credit of up to \$20 million for acquisitions, organic growth and working capital.
- RFG expects to draw down \$5.0m in December 2023 to complete the acquisition of Beefy's and fund further growth opportunities.