



ABN: 32 115 131 667

ASX: CBO

## Cobram Estate Olives Limited (“CBO” or “the Company”)

### ASX Announcement – 23<sup>rd</sup> August 2024

#### **CBO FY2024 Results Presentation**

Cobram Estate Olives Limited (ASX: CBO) is pleased to present its FY2024 Results Presentation for today’s investor and analyst webinar commencing at 11:00am Melbourne time.

To register for this webinar briefing, please click on the link below:

➤ [CBO FY2024 Results Webinar](#)

A recording of the webinar will be made available on the Company’s website <https://investors.cobramestateolives.com.au/investor-centre/> following the meeting.

For the purpose of ASX Listing Rule 15.5, CBO confirms that these documents have been authorised for release to the market by CBO’s Board of Directors.

For further information, please contact us at [investors@cobramestateolives.com](mailto:investors@cobramestateolives.com).

*Kind regards*

**Sam Beaton**

**Joint-CEO and Executive Director**

On behalf of the Board of Cobram Estate Olives Limited

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#### **About Cobram Estate Olives Limited (“CBO”)**

CBO is Australia’s largest vertically integrated olive farmer and marketer of premium quality extra virgin olive oil. The Company owns a portfolio of premium olive oil brands including Cobram Estate® and Red Island®. CBO’s olive farming assets include 2.6 million olive trees planted on 7,000 hectares of farmland in central and north-west Victoria and 493,000 olive trees planted on 752 hectares of long-term leased and freehold properties in California, USA. The Company also owns Australia’s largest olive tree nursery, three olive mills, two olive oil bottling and storage facilities, and the Modern Olives® laboratory. With operations in Australia and the USA, and export customers in 13 countries, CBO is firmly positioned as a leader in the Australian olive industry and a global leader in sustainable olive farming. For further information, please visit <https://cobramestateolives.com.au>.



# Cobram Estate Olives Limited™



## Full Year FY2024 Results Presentation

23 August 2024



Cobram Estate Olives Limited

ABN: 32 115 131 667

# Presenters

## Presenters:

**Sam Beaton**

Executive Director and Joint-CEO

**Leandro Ravetti**

Executive Director and Joint-CEO



# Disclaimer

The material in this presentation is general background information about Cobram Estate Olives Limited (“Cobram Estate Olives” or “CBO” or “the Company” or “the Group”) and is current at the date of the presentation. The information in the presentation is provided for information purposes only, is in summary form, and does not purport to be complete. It should be read in conjunction with CBO’s other announcements to the ASX, including its Annual Report for the year ended 30 June 2024 (“FY2024”). It is not intended to be relied upon as advice to current shareholders, investors, or potential investors, and does not take into account the investment objectives, financial situation, tax situation, or the needs of any particular shareholder, investor or potential investor. A shareholder, investor or potential investor must not act on the basis of any matter contained in this presentation but must make their own assessment of CBO and conduct their own investigations and analysis. No representation is made as to the accuracy, completeness, or reliability of the presentation. CBO is not obliged to, and does not represent that it will, update the presentation for future developments.

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*CBO’s financial statements are prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001. This includes application of AASB 141 Agriculture which requires the current year crop to be valued at fair value less estimated point of sale costs. In applying this standard to determine the value of the current year crop, CBO makes various assumptions at the balance date, as the expected net selling price of the crop can only be estimated, and the actual-value will not be known until it is completely sold. The resulting accounting estimates will, by definition, seldom equal the related actual results, and have a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.*

# Agenda:

1. Introduction: Sam Beaton
2. FY2024 Results & Commercial Update: Sam Beaton
3. Business Operations Highlights & Update: Leandro Ravetti
4. Questions
5. Close



# Introduction

**Sam Beaton**

Joint-CEO (Finance & Commercial)



# FY2024 Results & Commercial Update

**Sam Beaton**

Joint-CEO (Finance & Commercial)



# FY2024 – Financial Results Summary

Financial results for the 12-months to 30 June 2024

## GROUP OLIVE OIL SALES REVENUE

**\$220.9m**

↑34.6% (vs FY2023)

## GLOBAL PACKAGED GOODS SALES

**\$193.4m**

(COBRAM ESTATE® + RED ISLAND® + PRIVATE LABEL)

↑38.4% (vs FY2023)

## AUSTRALIAN PACKAGED GOODS SALES

**\$142.9m**

↑28.1% (vs FY2023)

## USA PACKAGED GOODS SALES

**\$50.5m**

↑78.9% (vs FY2023)



## EBITDA\*

**\$66.7m**

↑63.4% (vs FY2023)

## NET PROFIT AFTER TAX

**\$18.5m profit**

↑140.1% (vs FY2023)

## RECORD CASH FLOW FROM OPERATIONS

**\$64.1m**

↑18.4% (vs FY2023)

## TWO-YEAR ROLLING AVERAGE EBITDA (NORMALISED)\*\*

**\$51.7m**

↑71.8% (vs FY2023)

## NET DEBT RATIO

**31.5%**

at 30 June 2024 (30 June 2023: 29.8%)



# Group Profit (Statutory)

Increase in FY2024 EBITDA\* driven by strong sales and improved product mix

Income Statement \$'million	FY2024	FY2023	Change
<b>Revenue</b>			
Sales Revenue	227.8	169.0	58.8
Other income	3.3	4.9	(1.6)
Net change in fair value of agricultural produce	43.8	42.4	1.3
<b>Revenue - total</b>	<b>274.8</b>	<b>216.3</b>	<b>58.5</b>
<b>EBITDA</b>			
Australian Olive Oil	60.1	38.5	21.6
USA Olive Oil	5.8	2.9	2.9
Innovation & Value-add (Boundary Bend Wellness)	0.8	(0.8)	1.7
Other	0.0	0.2	(0.2)
<b>EBITDA - total</b>	<b>66.7</b>	<b>40.8</b>	<b>25.9</b>
Depreciation	(23.2)	(18.1)	(5.1)
Interest	(11.8)	(8.4)	(3.4)
<b>EBT</b>	<b>31.7</b>	<b>14.3</b>	<b>17.4</b>
Tax	(13.2)	(6.6)	(6.6)
<b>NPAT</b>	<b>18.5</b>	<b>7.7</b>	<b>10.8</b>

## Key points:

- The Group reported EBITDA of \$66.7m in FY2024 (FY2023: \$40.8m).
- **Australian Olive Oil Operations** reported EBITDA of \$60.1m (FY2023: \$38.5m), with the increase driven by:
  - A 28% growth in olive oil sales to \$156.0m (FY2023: \$121.6m).
  - An increase in litres sold at a higher average price.
- **USA Olive Oil Operations** reported EBITDA of \$5.8m (FY2023: \$2.9m), with the increase driven by:
  - Significant growth in olive oil sales, up 52% to \$64.9m (FY2023: \$42.6m), with an increase in litres sold at a higher average price; and
  - Improved USA product mix, with packaged goods increasing to 78% of total USA sales (FY2023: 66%).
- **Innovation & Value Add (Boundary Bend Wellness)** achieved an improved reported EBITDA of \$0.8m (FY2023: \$0.8m loss), focussing on value-adding waste products.

# Group Balance Sheet

Net Assets of \$322m; value of brands, trees, and irrigation infrastructure are carried at written down cost



Balance Sheet \$'million	FY2024	FY2023	Change
Cash	11.3	13.7	(2.3)
Current Assets (excluding cash)	128.8	126.9	1.9
Property, plant and equipment	532.4	446.5	85.9
Intangible assets	6.7	6.7	0.0
Other Non-current Assets	10.9	16.7	(5.8)
<b>Total Assets</b>	<b>690.1</b>	<b>610.5</b>	<b>79.6</b>
Current Liabilities (excluding Borrowings)	45.9	39.9	6.0
Current Borrowings	10.7	20.0	(9.3)
Non-current Borrowings	214.7	171.5	43.2
Tax Liability	90.3	80.0	10.3
Other non-current liabilities	6.8	11.3	(4.5)
<b>Total Liabilities</b>	<b>368.3</b>	<b>322.7</b>	<b>45.7</b>
<b>Net Assets</b>	<b>321.7</b>	<b>287.8</b>	<b>34.0</b>
Borrowing, less cash (Net debt) - [A]	214.0	177.8	
Total Assets, less cash - [B]	678.7	596.8	
<b>Debt ratio - [A÷B]</b>	<b>31.5%</b>	<b>29.8%</b>	

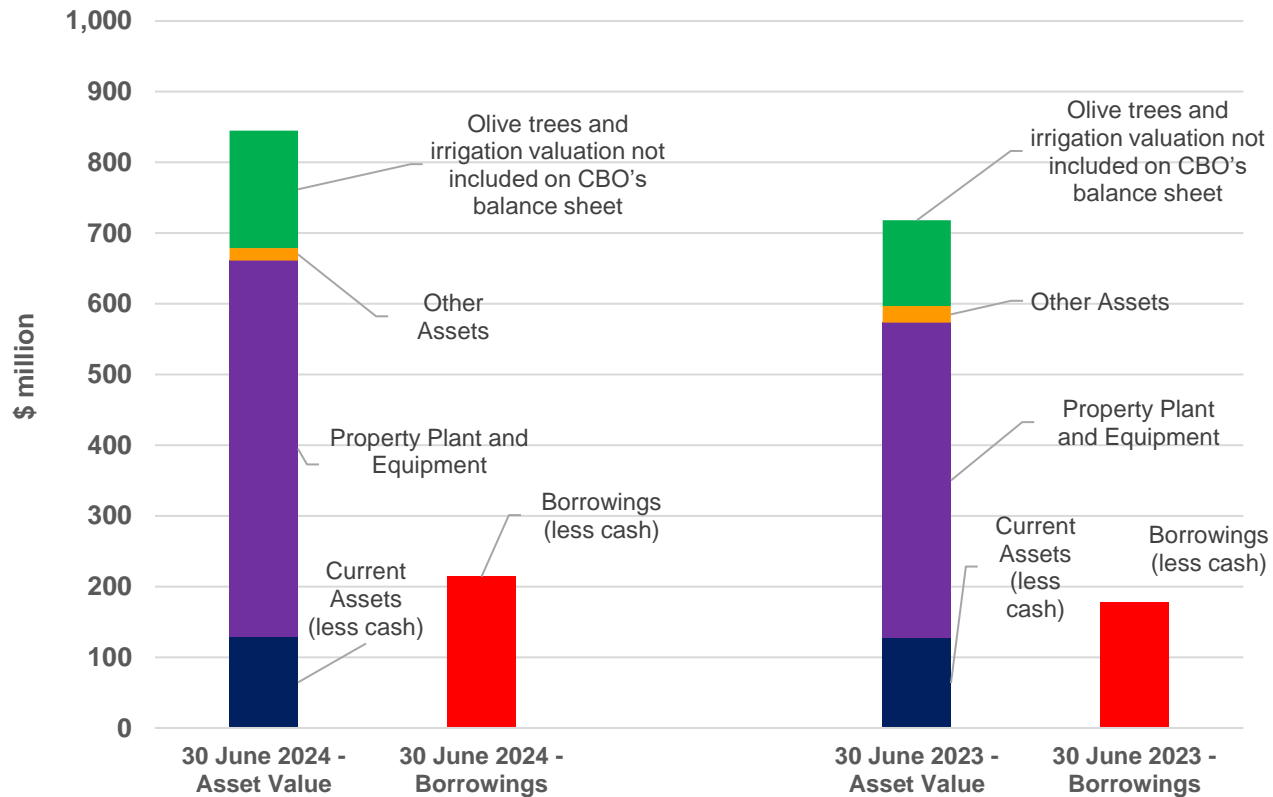
## Key points:

- **Increase in Total Assets from continued investment in capital projects and independent land & building revaluations at 30 June 2024.**
- **The Group's olive trees are carried at cost** (within Property Plant and Equipment). Based on an external valuation undertaken on 30 June 2024, the value of trees and irrigation assets was assessed to exceed its book value by c.\$166.4m.
- The majority of Intangible Assets relate to the acquisition cost of the Cobram Estate and Red Island brands (not at fair value).
- The majority of the tax liability relates to an unrealised tax gain on Land and Buildings that would only crystallise if these assets were sold.
- Debt ratio increased from 29.8% to 31.5% as the Group entered into a new debt facility and drew down existing debt facilities, as planned, to fund major growth capital projects.

# Real Asset Backing

Adjusted asset value (excluding cash) of \$845m, against net borrowings of \$214m

## CBO's Assets vs Borrowings



\$'million	FY2024	FY2023	FY2022
<b>Assets</b>			
Total Assets per CBO balance sheet	690.1	610.5	550.6
<i>add:</i>			
External valuation, not on CBO B/S *	166.4	121.3	121.3
<b>Assets including external valuation</b>	<b>856.5</b>	<b>731.8</b>	<b>671.9</b>
<i>less:</i>			
Cash	(11.3)	(13.7)	(5.9)
<b>Adjusted asset value</b>	<b>845.1</b>	<b>718.1</b>	<b>666.0</b>
<b>Borrowings</b>	225.3	191.5	141.1
<i>less:</i>			
Cash	(11.3)	(13.7)	(5.9)
<b>Adjusted borrowings</b>	<b>214.0</b>	<b>177.8</b>	<b>135.2</b>
<b>Borrowings / Adjusted asset value</b>	<b>25.3%</b>	<b>24.8%</b>	<b>20.3%</b>

\* Externally valued at 30 June 2024 and 30 June 2022. Trees and irrigation infrastructure are carried at cost, not fair value. The \$166.4m (FY2023:\$121.3m) represents the value above written down cost, as assessed at the balance sheet date.

# Group Cashflow Statement

Strong operating cashflow driven by increased sales, improved profitability, and stabilisation of costs

Cashflow statement \$'million	FY2024	FY2023	Change
<b>Cash generated from operations</b>	<b>64.1</b>	<b>54.1</b>	<b>9.9</b>
Net interest paid	(11.6)	(9.9)	(1.6)
Tax paid	(4.6)	(5.2)	0.6
<b>Cash generated from operations (after interest and tax)</b>	<b>47.9</b>	<b>39.0</b>	<b>8.9</b>
Proceeds from sale of property, plant and equipment	1.4	0.1	1.3
Payments for property, plant and equipment	(66.2)	(56.0)	(10.2)
Dividends paid to the Company's shareholders	(11.5)	(11.7)	0.2
Payment for leases	(0.6)	(0.5)	(0.1)
Net proceeds from borrowings	22.3	37.0	(14.7)
Proceeds from loans to key management personnel	4.4	0.0	4.4
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2.3)</b>	<b>7.7</b>	<b>(10.1)</b>
Undrawn debt	31.5	42.7	
Cash	11.3	13.7	
<b>Total available cash</b>	<b>42.9</b>	<b>56.4</b>	

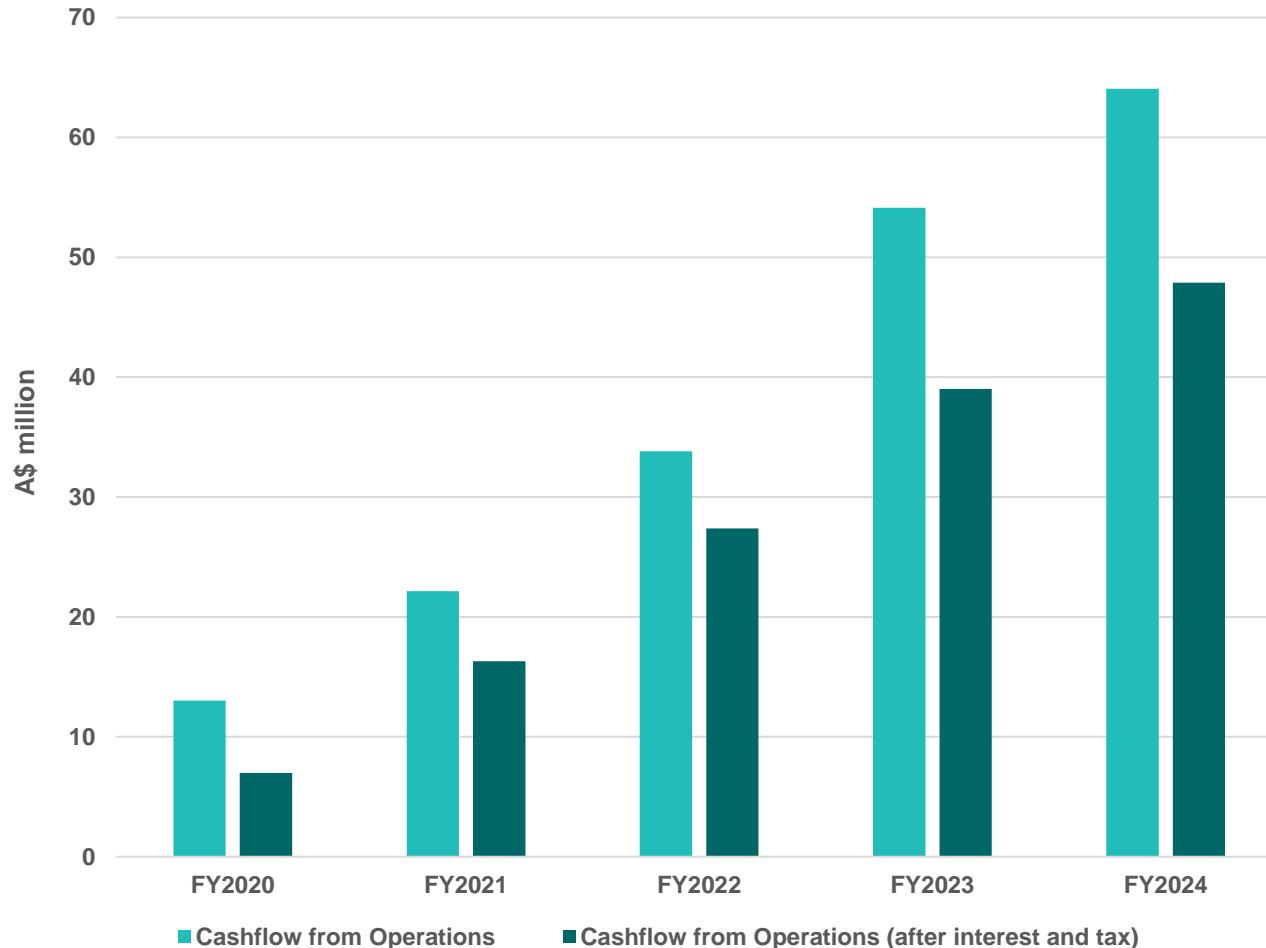
## Key points:

- **Record cashflow from operations of \$64.1m in FY2024** (FY2023: \$54.1m). The Group's cashflow generation is reflective of growing sales in Australia and the USA, increased sales prices and the stabilisation of costs.
- **The Group continued to invest in growth projects** both in Australia and the USA, investing a total of \$66.2m during the financial year on key capital projects (FY2023: \$56.0m).
- **Cash and undrawn debt facilities** of \$42.9m at 30 June 2024 (30 June 2023: \$56.4m).
- **The Group is well positioned** to fund USA growth capex through a combination of expected operating cashflow and available debt facilities.

# Operating Cashflow Continues to Increase

Operating cashflow is expected to continue to increase over the medium term

## Group Operating Cashflow



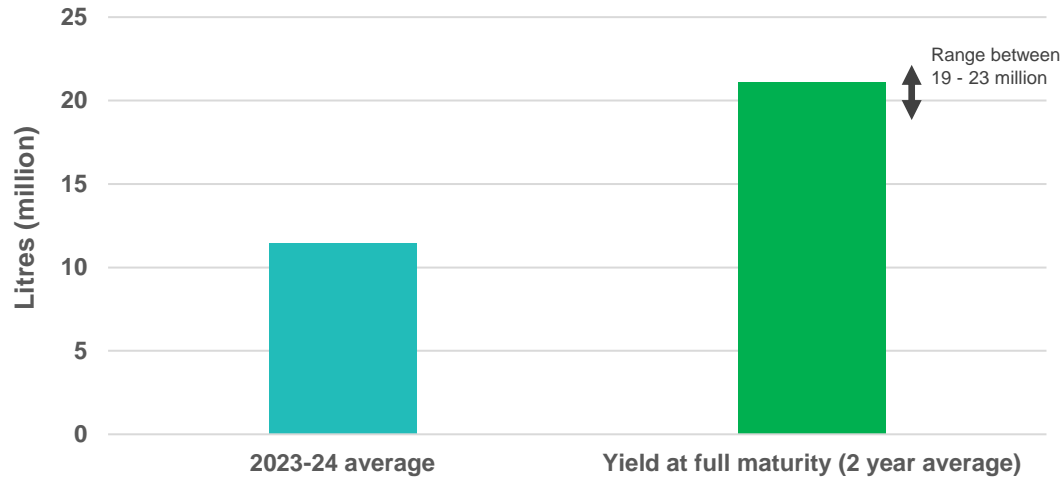
### Key points:

- The Company manages its olive oil over a 2-year cycle, so operating cashflow is more consistent than reported profits (which is heavily influenced by the biennial bearing cycle of the Australian crop).
- Cashflow from operations is expected to continue to increase as:
  - CBO's Australian groves mature; and
  - CBO's USA business continues its sustainable growth.
- Medium term operating cashflow growth and reduced requirement for Australian capital expenditure is expected to increase the Company's available cash.
- Due to the biennial bearing nature of olive trees, along with the two-year rolling EBITDA, **operating cashflow is an effective and straightforward way of measuring the Company's performance.**

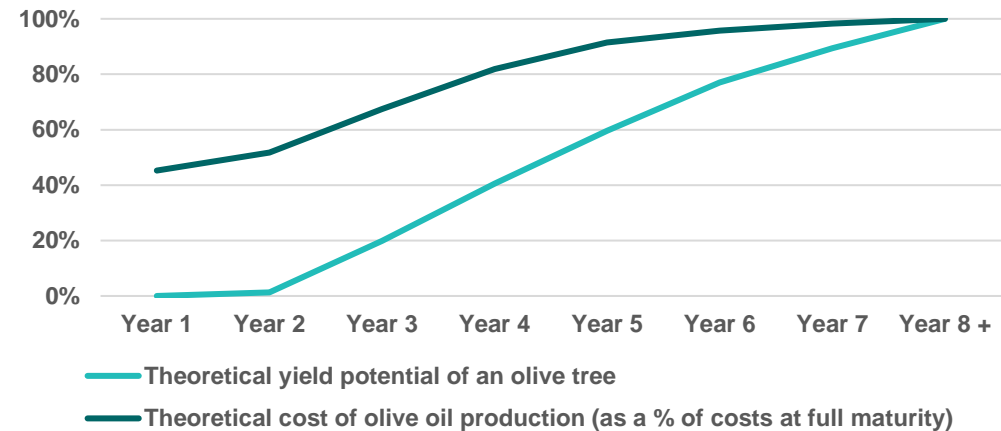
# Australian Business – Significant Growth Expected

Significant past investment expected to drive CBO’s olive oil supply and operating cashflow

Australian production: Average of 2023 and 2024 harvest vs. theoretical yield at full maturity



Theoretical yield potential of an olive tree, compared to incremental costs increase



## Key points:

- **Past capital investment in Australia is expected to significantly increase olive oil supply over the medium term.**
- **At full maturity in year 8** (for the trees in the ground at 30 June 2024), **CBO’s Australian production is expected to yield between 19 million to 23 million litres of olive oil** (average over a 2-year period). This compares to 11.5 million litres average for the 2023 and 2024 harvest. Of course, this is subject to Agricultural risks. These production numbers include 1,000 ha of 3rd party long-term contracted growers, which the Company mills and markets the olive oil.
- **Groves costs are relatively fixed, particularly from year 5 onwards** – this should result in a significant decrease in the cost of olive oil produced per litre over time. (Note: cost of the first 5 years are capitalised into the tree costs).

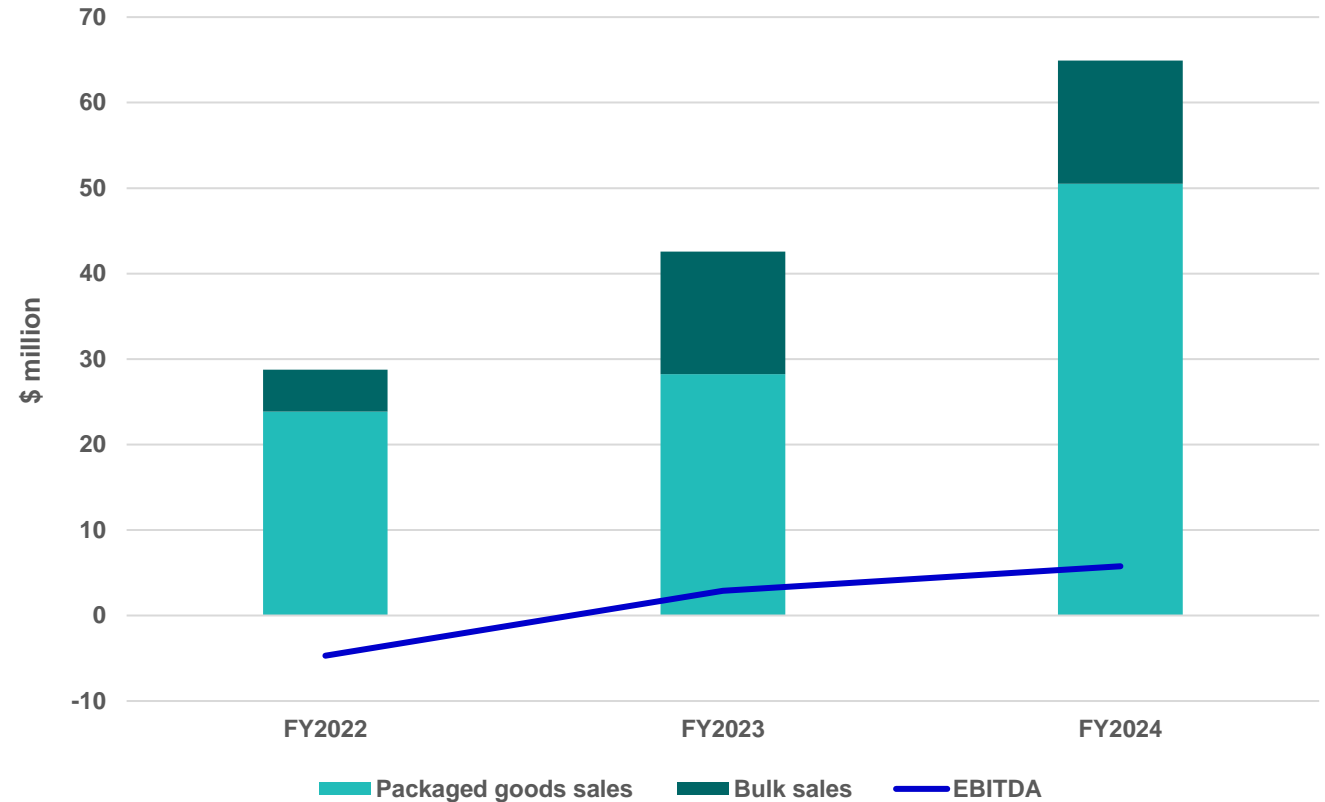
# USA Business Showing Signs of Replicating Australian Success

Capex investment setting the business up for continued strong growth

## Key points:

- **Past investment in the USA now generating positive EBITDA** and significant sales growth.
- **Reported assets in the USA business of A\$189.7m**, and total olive oil sales \$64.9m in FY2024.
- **59% of Company owned USA groves** have not yet produced a crop.
- Maturing olive groves and continued investment in Company owned olive groves is expected to continue to drive growth in packaged goods sales and profit.

## USA earnings and sales growth FY2022-FY2024



# FY2024 Group Sales Highlights

COBRAM ESTATE®  
Australia's **#1**  
EXTRA VIRGIN OLIVE OIL  
by value and volume\*




**18,429**

USA SUPERMARKETS  
STOCKING COBRAM ESTATE® PRODUCTS\*\*

RED ISLAND®  
AUSTRALIA'S  
**#2**  
EXTRA VIRGIN OLIVE OIL  
by value and volume (behind Cobram Estate®)\*



COBRAM ESTATE®  
**#8** HIGHEST  
SELLING  
OLIVE OIL BRAND IN THE USA\*\*



# Group Olive Oil Sales

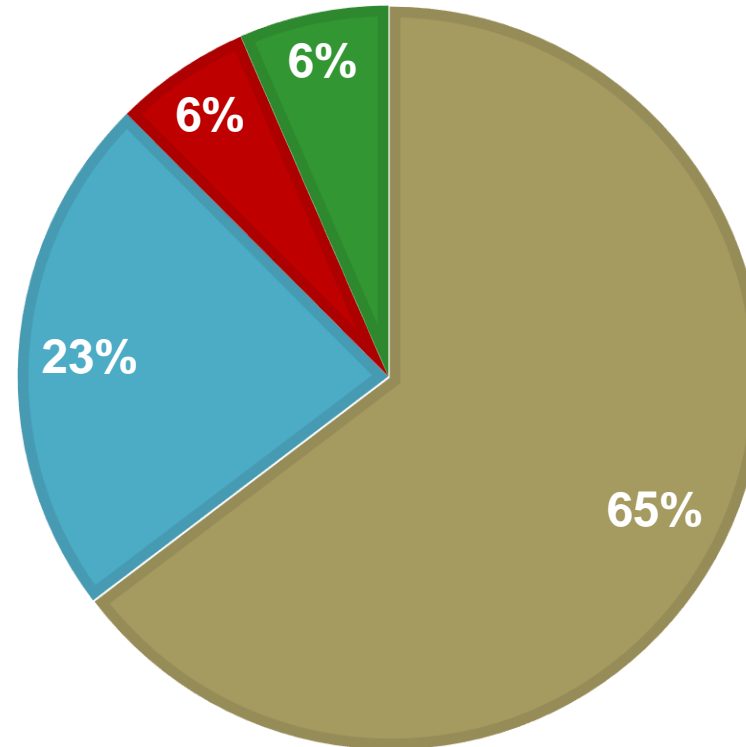
Olive oil sales up 34.6% (vs. FY2023)

## Key points:

- Group olive oil sales grew 34.6% in FY2024 to \$220.9m.
- Packaged goods accounted for 87.5% of olive oil sales, up 38.4% to \$193.4m (FY2023: \$139.7m).
- Growth achieved despite a reduction of in-store promotional activity and challenges keeping up with strong demand.
- Consumer demand for extra virgin olive oil remains very strong despite higher prices across the category. We anticipate demand will remain strong in FY2025.

## Group olive oil sales by product type / country

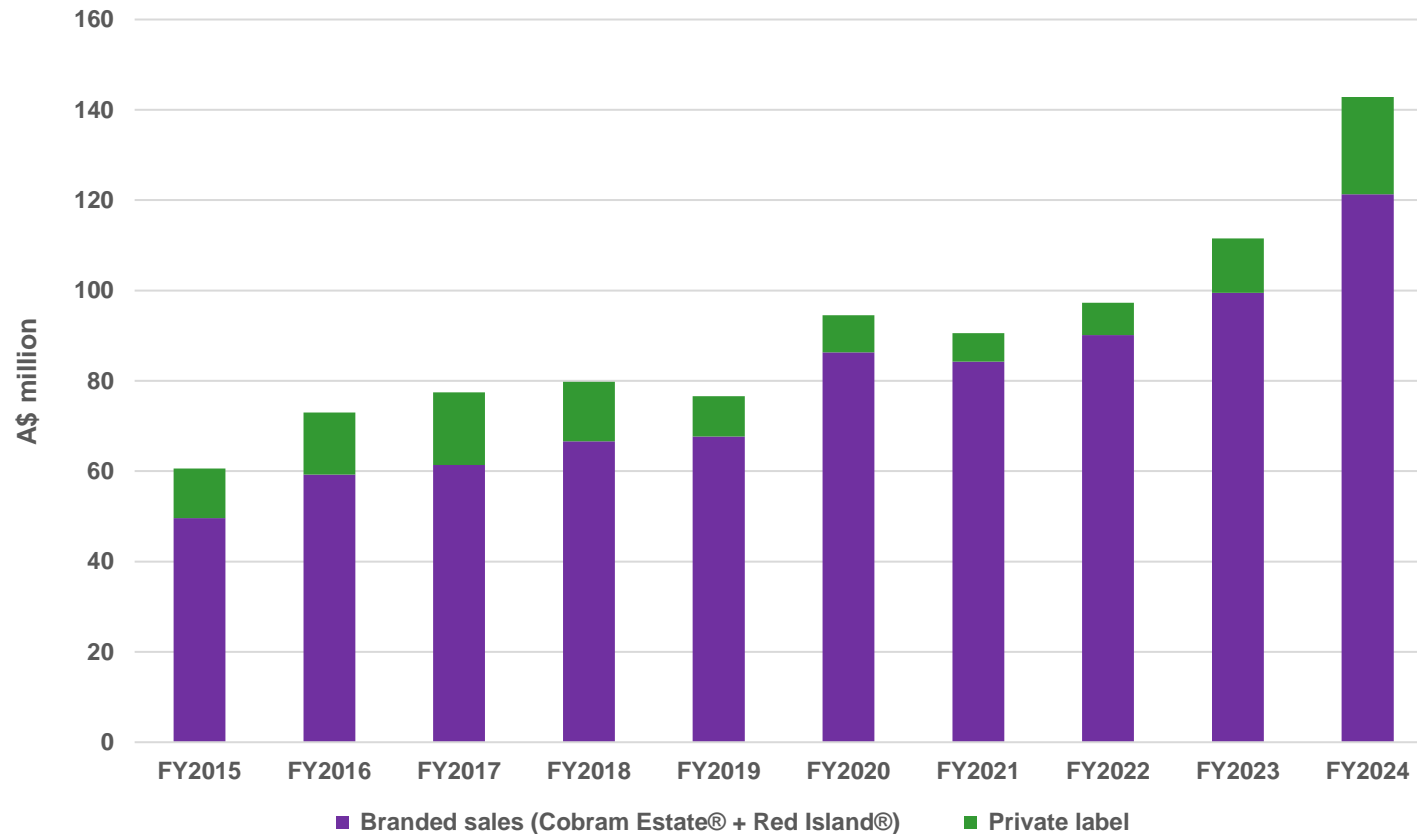
■ Packaged Goods - AU ■ Packaged Goods - USA ■ Bulk Oil - AU ■ Bulk Oil - USA



# Strong Sales Growth for Australian Olive Oil Operations

Australian operations olive oil sales up 28.3% to \$156.0m (vs. FY2023)

## Australian olive oil operations packaged goods sales (\$)



### Key points:

- The Group reported strong olive oil sales from its Australian operations across all facets, led by significant growth in packaged goods sales.
- **Total Australian olive oil sales of \$156.0m, up 28.3%** versus the prior period (FY2023: \$121.6m).
- **Total Australian packaged goods sales (Cobram Estate®, Red Island® and private label) of \$142.9m, up 28.1%** (FY2023: \$111.5m).

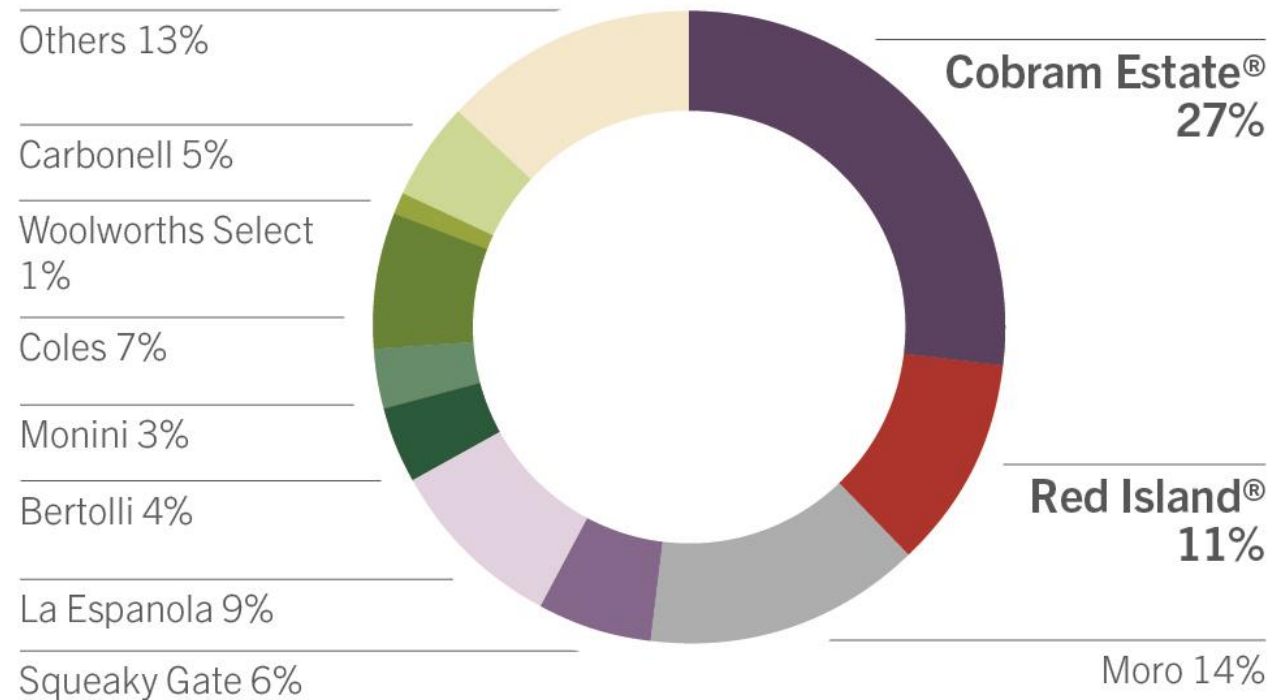
# CBO's Market-Leading Position in the Australian Olive Oil Category

Cobram Estate® and Red Island® combined market value share of 37.9% in FY2024\*

## Key points\*:

- Cobram Estate® and Red Island® recorded strong retail sales growth, achieving **37.9% combined share** of total olive oil retail sales by value in FY2024 (FY2023: 34.8%).
- Cobram Estate® remains the **number one olive oil brand in Australian supermarkets**, achieving year-on-year retail sales growth of 34.0% in value and 17.6% in unit volume.
- Red Island® performed strongly ranking **number three olive oil overall and number two in the extra virgin sub-category** (behind Cobram Estate®).

## Olive oil market share by brand FY2024 - value terms\*



# Cobram Estate® Marketing Highlights - Australia

Continuing to promote the superior quality, health benefits, and usage of Cobram Estate®

## FY2024 highlights:

- Commenced a **three-year principal partnership with Melbourne Mavericks**, a professional netball team competing in the Suncorp Super netball competition.
- Continued support and sponsorship of businesses, people, and projects that align with CBO's goals, including **Kaylee McKeown and Neil Perry**.
- Continuation of **harvest visits program** for key influencers, retail partners, and investors.
- **Commenced a Tik Tok campaign** focused on educating younger consumers on the benefits of, and how to use, the Company's extra virgin olive oils.

### Principal partnership: Melbourne Mavericks



Brand partner  
Kaylee McKeown

Brand partner  
Neil Perry



### Harvest visits



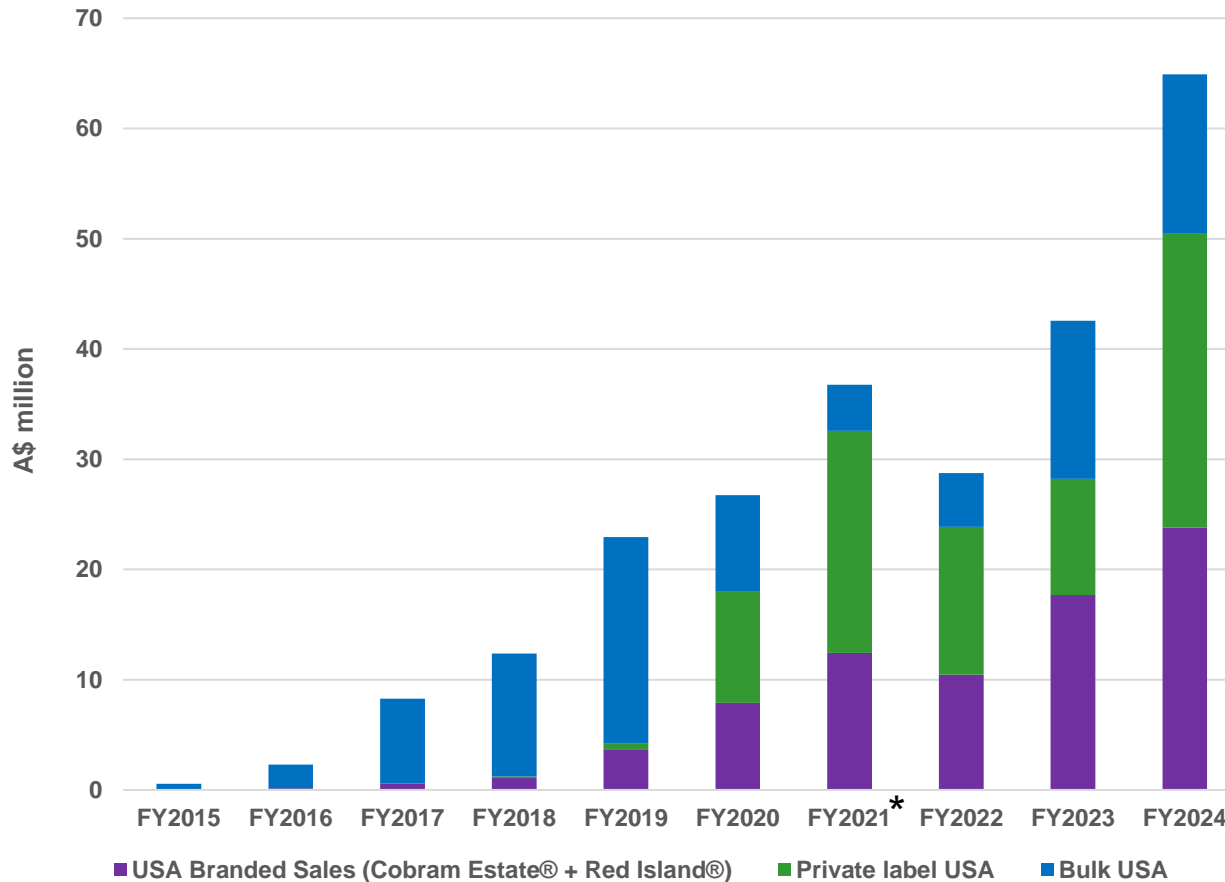
### Tik Tok campaign examples



# USA Olive Oil Sales Up 52.5% in FY2024

Packaged goods sales up 78.9% vs FY2023, driven by brand and private label growth

## USA olive oil sales by product (A\$)\*



### Key points:

- **USA olive oil sales of \$64.9m in FY2024**, up from \$42.6m in FY2023. Sales growth was bolstered by robust demand for Californian olive oil.
- **USA packaged goods sales** (Cobram Estate®, Red Island® and private label) **totalled \$50.5m, up 78.9%** (FY2023: \$28.2m).
- **Cobram Estate® is now the #8 top-selling olive oil in USA supermarkets** by value (excluding private label), and the #2 brand of Californian olive oil.
- **Current ranging in 18,429 stores**, an increase of 6.6% relative to the prior comparative period.

# Cobram Estate® Marketing Highlights - USA

Focus on digital marketing and retailer activities to drive sales, brand awareness, and education

## Key points:

- USA marketing activities continue to **focus on digital marketing and retailer activities to drive sales, brand awareness, and education.**
- Cobram Estate® ‘Artisan Collection’ of infused olive oils launched in **March 2024.**
- A partnership with Curtis Stone and Americas second-largest home shopping network, HSN, launched in April 2024.
- **Attended 15 trade shows** in FY2024 including Natural Products Expo West.
- Hosted a number of **harvest visits and dinners** for USA retailers, brokers, and partners.

### Our New Artisan Range of infused olive oils



### Cobram Estate® stand at Natural Products Expo West



### In-store trade marketing activity



### Harvest visits



### Curtis Stone promotion on HSN



# Financial Outlook

Outlook is positive, underpinned by robust demand for olive oil and strong trading conditions

## Key points:

- **Sales outlook remains positive.** Demand continues to be strong for our extra virgin olive oil, as consumers continue to recognise its high quality and positive health attributes in both Australia and the USA.
- Despite the smaller-than-expected Australian crop, **CBO will have sufficient oil for its FY2025 packaged goods sales plan** through to the 2025 harvest.
- The **USA crop** (harvested in October/November 2024), **is expected to be similar or above the 2023 harvest, which was 3.2m litres of oil.** Although 2024 is an “off-year” in the USA, the maturing profile of our groves and excellent flowering and fruit set are expected to drive a pleasing result. Of course, final yields are subject to the normal risks associated with agricultural production.
- USA packaged goods price increase of around 15% to be effective in September 2024.
- Australian grove input costs have stabilised, and water cost remain below long-term average.
- The Australian business’s strong cashflows, combined with existing debt facilities, are expected to fully fund the planned USA expansion of land purchases and grove developments.
- FY2025 is an “on-year” for CBO’s Australian groves. FY2025’s reported EBITDA is expected to be materially higher than FY2024 (subject to the risks associated with agricultural production).

## Dividend

- **The Board anticipates paying a fully franked dividend of 3.3 cents per share in December 2024** (FY2023: 3.3 cents per share, 70% franked). Full details of the dividend, including payment dates, will be disclosed during CBO’s Annual General Meeting on 1 November 2024.

# Business Operations and Growth Strategy Update

**Leandro Ravetti**

Joint-CEO (Technical & Production)





# FY2024 Group Operations Highlights

AUSTRALIA'S

# #1

OLIVE OIL PRODUCER\*

# 10.1m

LITRES OF AUSTRALIAN OLIVE OIL  
PRODUCED BY CBO IN 2024

# 7,000

HECTARES  
OF OLIVE GROVES IN AUSTRALIA

ONLY 4,570 HECTARES OR

# 65%

OF CBO'S AUSTRALIAN OLIVE GROVES  
ARE MATURE



# 179

HECTARES  
OF NEW OLIVE GROVES DEVELOPED  
BY CBO IN CALIFORNIA IN FY2024\*\*

# 3.2m

LITRES OF CALIFORNIAN OLIVE OIL  
PRODUCED BY CBO IN 2023

# 930

HECTARES\*\*\*  
OF OLIVE GROVES IN CALIFORNIA

ONLY 99 HECTARES OR

# 11%

OF CBO'S CALIFORNIAN OLIVE GROVES  
ARE MATURE

# Australian Operations Update

Australian harvest completed in June 2024, 10.1m litres produced

## Key points:

- As previously announced, **CBO's 2024 Australian olive harvest was completed in June 2024.**
- **Total production of 10.1m litres of olive oil** (3% higher than 2022, the previous "off-year")\*.
- The colder and shorter than average growing season in FY2023 had a widespread negative impact on the Australian olive industry's 2024 harvest, down 43% vs. 2022 (excluding CBO).
- **2025 is an "on-year" for CBO's Australian groves. The Company expects the crop to be significantly higher than in 2024,** subject to the usual risks associated with agricultural production.



## Key points:

- Weather conditions have been favourable for flower induction and fruit set.
- The Company expects its FY2025 Californian olive oil production, an “off-year”, to be similar to or above its FY2024 harvest “on-year” (FY2024: 3.2 million litres of olive oil produced).
- Costs have stabilised.
- Total rainfall for the winter season (2023/2024) was above average, with good prospects of surface water allocation for the coming year.



# Growth Strategy

Four core pillars to drive future growth

1.

## Delivering material sales growth from Australian operations through increasing olive oil supply produced on CBO's maturing Australian olive groves and new plantings

35% of the company's total Australian plantings are not fully mature including 10% of total Australian plantings yet to produce a harvestable crop.

2.

## Growing our vertically integrated business in the USA

The Company is encouraged by the immense opportunity to replicate its Australian business model in the USA in the medium to long-term. The key focus is increasing the supply pipeline of Californian produced olive oil to drive packaged goods sales at retail.

3.

## Growing branded product sales and improving the net price per litre for CBO's extra virgin olive oil

Continued premiumisation and differentiation of the Company's brands globally whilst never compromising consumer trust and/or value proposition.

4.

## Capitalising on our sustainable position and upcycling our olive oil by-products

CBO is focused on its zero-waste initiative and the sale of olive by-products through B2B channels to extract the highest possible return for both the Company and the planet.

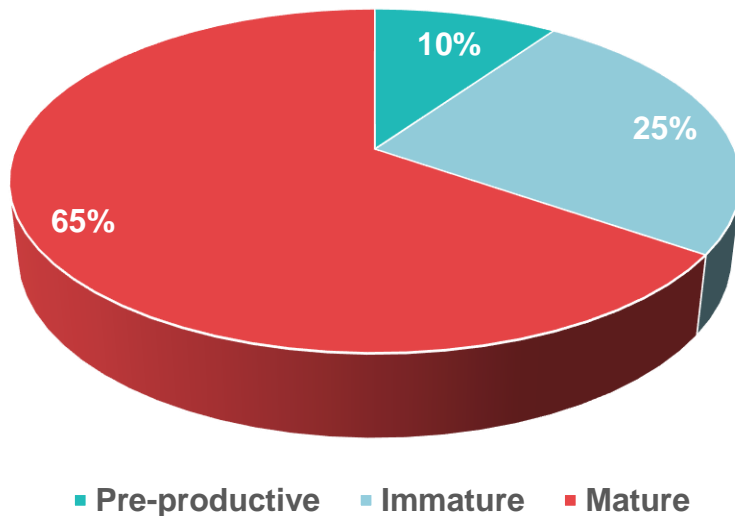
# CBO's Maturing Australian Groves

Mature grove area will increase by 53% over the next 8-years, delivering material growth in oil supply

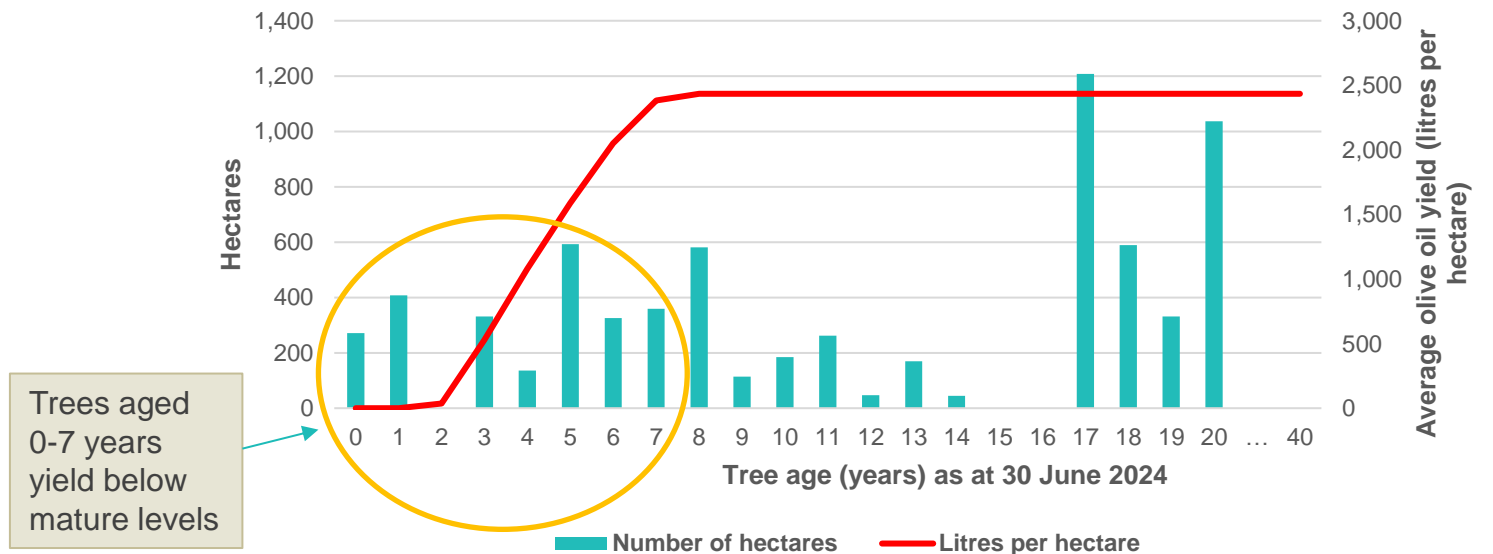
## Key points:

- Currently only **65% of CBO's Australian groves are mature**, 25% immature, 10% not yet productive\*.
- **CBO's mature grove area in Australia will increase by 53% from 4,570 hectares to 7,000 hectares over the next 8-years** based on current plantings\*.
- Contracted third-party supply in Australia will increase at approximately the same rate as CBO-owned groves.
- **Conclusion: material growth in Australian olive oil supply is expected over the next 8-years as CBO's trees reach maturity and deliver mature yields** (see chart below), subject to risks related to agricultural production.

### Maturity phase of CBO's Australian olive groves\*



### Average olive oil yield by tree age alongside age profile of CBO's Australian groves by planted hectares\*



Trees aged 0-7 years yield below mature levels

# Australia Growth Project: Redevelopment of Wemen grove

271-hectare redevelopment at Wemen (Victoria) completed in Autumn 2024

## Wemen grove redevelopment

- A 271-hectare redevelopment of CBO's Wemen grove was completed in Autumn 2024.
- Key varieties planted include Arbequina, Picual, Coratina, Koroneiki, and Hojiblanca.
- This is the last block of Barnea trees that required replanting across all our farms concluding a 14-year replanting program.

## CBO's 271-hectare olive grove redevelopment at Wemen, planted in Autumn 2024



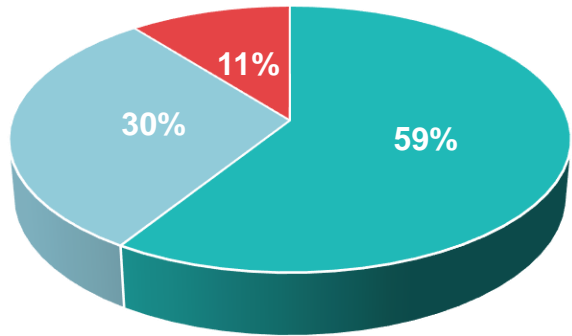
# Only 11% of CBO's 930 Hectares of Californian Groves are Mature\*

Mature grove area will increase from 99 hectares to 930 hectares over the next 8-years, increasing oil supply\*\*

## Key points:

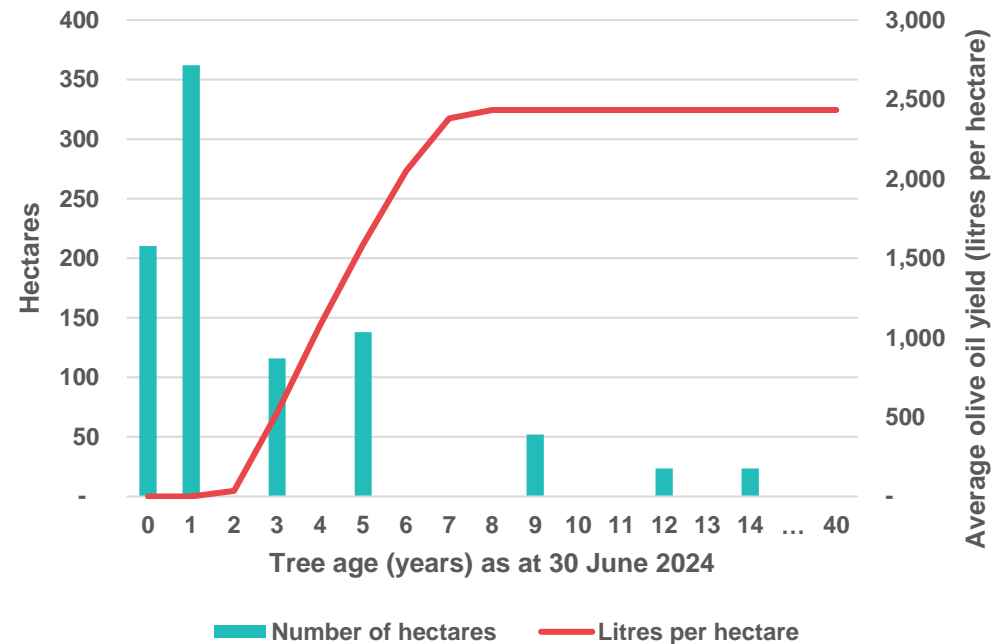
- CBO's Californian olive grove portfolio totals 930 hectares, including ~178 hectares to be planted in October-November 2024.
- 11% of CBO's USA groves are mature, 30% are immature, and 59% are pre-productive\*.

## Maturity phase of CBO's Californian olive groves\*



■ Pre-productive ■ Immature ■ Mature

## Age profile of CBO's Californian groves by planted hectares and average olive oil yield per year of age\*



■ Number of hectares — Litres per hectare

## CBO's Californian olive oil operations and locations



# USA Growth Project: Grove Expansion

CBO is continuing its material grove developments to meet strong demand for Californian olive oil

## California grove developments

### FY2024 developments

- 179 hectares planted between November 2023 and July 2024.

### FY2025 developments

- 178 additional hectares to be planted in October-November 2024.

### Additional land and groves

- The Company has a strong pipeline of new properties for acquisition and development.





# USA Growth Project: Woodland California Site Expansion

Expansion of CBO's Woodland olive mill, tank farm, and bottling line to meet growing demand

## Woodland site expansion

- The first phase of the Woodland site expansion was completed in time for the FY2024 California harvest.
- **Milling capacity doubled from 32 to 64 tonnes/hour; olive oil storage increased from 2.9m to 4.5m litres.**
- The **expansion of the finished goods warehouse and installation of a new bottling line** are underway.
- **Once complete, CBO will have the infrastructure in place to meet its projected increase in throughput over the next 5-10 years.**



# Growth Strategy – Innovation and Value-Add

Continue to focus on the internal use and external sale of olive biomass as part of zero waste strategy

## Key points:

- As part of its sustainability / zero waste strategy, **CBO continues to add-value to the by-products of olive farming and olive oil production.**
- Key products are:
  - Olive pit sold to food manufacturers, hospitals, and nurseries as a renewable energy source for heat and electricity production; and
  - Dried olive pomace sold as a renewable energy source for heat and electricity production or for use on orchards as a soil amendment.
- A total of **11.4 million kilograms of olive biomass** was sold to external parties in FY2024.

## CBO's olive pomace waste management and dried pomace



## CBO's biomass hot water system and olive pit



# Sustainability

New '2030 Sustainability Strategy' developed and adopted

## Key points:

- CBO is well positioned to deliver a unique value proposition – the ability to produce food that is good for human health, the planet, and its business.
- The Company strives to be a leading example of best practice horticulture that can prosper for the benefit of all.
- CBO's newly adopted 2030 Sustainability Strategy is the first step in formalising the Company's achievements and ambitions as a responsible corporate citizen.
- Responsibility for Sustainability at Board level lies with a dedicated 'Safety and Sustainability Committee,' which oversees the development, implementation, and monitoring of the Company's sustainability strategy.
- There is a lot to achieve, and this will require effort and change, but as a company CBO is committed to continuously improving its sustainability approach in a transparent manner.

## OUR SUSTAINABILITY MISSION

We aspire to lead extra virgin olive oil farming into a sustainable future for planetary health by giving more people access to nutritional health that only authentic, sustainable, and high-quality extra virgin olive oil can provide, so they can eat delicious, healthier and more sustainable diets.

### HOW WE EXTEND THE OLIVE BRANCH

*Key pillars and priority topics*

#### PLANET

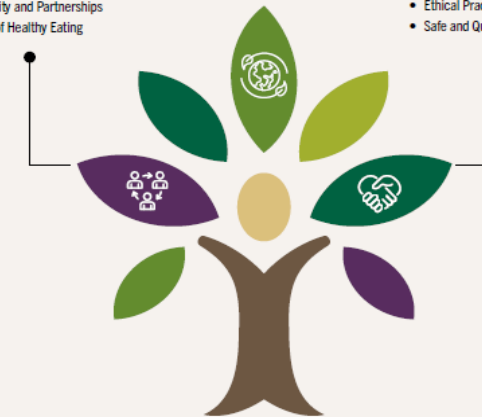
- A Positive Climate
- Responsible Use of Resources
- Protecting Biodiversity
- Towards Zero Waste

#### PEOPLE

- Employee Health and Wellbeing
- Community and Partnerships
- The Joy of Healthy Eating

#### BUSINESS

- A Profitable and Productive Business
- Ethical Practices
- Safe and Quality Products



# FY2024 Commitments, Targets, and Progress

Significant progress made by CBO in FY2024

## FY2024 PERFORMANCE SUMMARY – COMMITMENTS AND TARGETS



COMMITMENT / TARGET	TIMEFRAME	PROGRESS
Zero workplace fatalities or serious injuries	Ongoing	✔️ ACHIEVED
Continuous reduction in total recordable incidents (overall, and per million work hours – frequency rate)	Ongoing	✔️ ACHIEVED
Reach at least 2,000 health care professionals through conferences and events each year	Ongoing	✔️ ACHIEVED
Reach and educate at least one million members of the public per year	Ongoing	✔️ ACHIEVED
Comprehensively analyse and disclose CBO's Greenhouse Gas ("GHG") footprint	2024 Annual Report	✔️ ACHIEVED
Register a climate commitment and targets with the Science Based Targets initiative ("SBTi")	End of FY2025	🔄 IN PROGRESS
Continue to grow the litres of olive oil produced per megalitre of water utilised on a two-year rolling average and normalised against average annual rainfall. CBO aims to achieve a 15% improvement by 2030 against the 2018-2023 baseline of 336.5 litres/ML	2030	🔄 IN PROGRESS
Explore alternative sources of water (underground or run-off) to limit the impact of higher costs per ML in years of reduced water allocation	Ongoing	🔄 IN PROGRESS
No olive oil sold to exceed maximum residue limits for any chemical	Ongoing	✔️ ACHIEVED
Conduct assessments of CBO's groves to consider the feasibility of implementing a 2030 Nature Positive commitment	End of FY2025	— NOT STARTED
Protect and restore habitat for the threatened Malleefowl at all of CBO's Australian groves, with particular emphasis at Boundary Bend and Wemen	Ongoing	🔄 IN PROGRESS
Zero deforestation and conversion	Ongoing	✔️ ACHIEVED
100% of Cobram Estate® and Red Island® products are compliant with the Australasian Recycling Label (ARL) Program	December 2025	🔄 IN PROGRESS
Support the Australian Government's 2025 National Packaging Targets	Ongoing	🔄 IN PROGRESS
Support the USA's National Recycling Goal of 50% by 2030	Ongoing	🔄 IN PROGRESS
Less than 0.5% operational outputs to landfill	Ongoing	✔️ ACHIEVED
Maintain and/or gradually improve the Company's currently balanced position in terms of gender equality, diversity, and inclusion	Ongoing	✔️ ACHIEVED
Committed to the 10 principles of the United Nations Global Compact	Ongoing	✔️ ACHIEVED
Maintain globally recognised food safety and quality accreditations	Ongoing	✔️ ACHIEVED
Comply with extra virgin olive oil grade as stated on product labels	Ongoing	✔️ ACHIEVED
Maintain Industry Quality endorsement	Ongoing	✔️ ACHIEVED
Comply with Food Regulation Authorities (FDA & FSANZ)	Ongoing	✔️ ACHIEVED

# Sustainable Water Usage

New 5GL groundwater licence at Boundary Bend Australia, and new pipeline for Hungry Hollow USA

## 5GL groundwater licence @ Boundary Bend

- After several years working with government agencies and water authorities and undergoing extensive scientific testing, **In August 2024 CBO was granted a 5GL annual licence to sustainably extract and use groundwater at its Boundary Bend grove.**
- This licence was granted by the Lower Murray Water (“LMW”) authority following hydrogeological assessments determined that this licence will be sustainable for the aquifer health.
- As this aquifer contains saline water, a modular desalination plant would need to be installed to convert the water to quality levels suitable for irrigation. Importantly, water is already being successfully extracted and desalinated from this aquifer in the area.
- **This will increase CBO’s water and climate resilience for its Boundary Bend grove, particularly in periods of drought or extreme market volatility.**

## Hungry Hollow pipeline, USA

- **CBO funded the \$1m installation of a 4km pipeline to the Hungry Hollow District in California.**
- This pipeline services CBO’s groves and neighbouring farms covering almost 800 hectares with surface water from the Indian and Clearlake reservoirs.
- Irrigating with surface water improves groundwater recharge, allowing for more sustainable management of the regional aquifer during years with reduced District water allocation.

## Groundwater testing at Boundary Bend



## Installing water pipeline in California



# Sustainability Awards and Recognition

CBO continues to receive wide recognition for its sustainability initiatives

## Awards and Recognition

CBO's sustainability achievements have been widely recognised by industry and supply chain partners. Recent achievements include:

- 2024, 2023, 2022 – Australian Financial Review Sustainability Leader – Agriculture Category.
- 2023 'Retaining Value Award' - Circularity Awards, by the Australian Circular Economy Hub ("ACE Hub").
- 2023 Planet Ark Circular Economy Award Winner – Reimagining Waste Category.
- 2023 Coles Sustainability Supplier of the Year.
- 2023 34<sup>th</sup> Banksia Sustainability Awards – Finalist Agriculture Category.
- 2022 Woolworths Sustainability Supplier of the Year.
- 2023 – CBO USA operations certified to the Leading Harvest Farmland Management Standard.



**Questions?**





**Thank you for supporting  
Cobram Estate Olives!**



# Our Global Business\*



## EXPORT MARKETS



**Cobram Estate®**  
 New Zealand  
 United Kingdom  
 Japan  
 Singapore  
 Malaysia  
 Indonesia  
 The Philippines  
 Thailand  
 Cambodia  
 Hong Kong  
 Taiwan  
 Fiji  
 United Arab Emirates



**Red Island®**  
 New Zealand  
 Japan  
 Malaysia  
 Fiji  
 Thailand



**Boundary Bend Estate®**  
 Thailand

## AUSTRALIA

### AUSTRALIAN OLIVE OIL OPERATIONS

FY2024 Olive Oil Sales	A\$156.0 million
FY2024 EBITDA	A\$60.1 million
Freehold land	16,700 hectares
Company owned olive groves	7,000 hectares
Contracted olive groves	1,000 hectares
Milling capacity	112 tonnes per hour
Olive oil storage	17.7 million litres
Bottling capacity	14,400 bottles per hour
Olive Oil Awards	552
Export markets	13 (not including USA)
Employees	114



## USA

### USA OLIVE OIL OPERATIONS

FY2024 Olive Oil Sales	A\$64.9 million
FY2024 EBITDA	A\$5.8 million
Freehold land	754 hectares
Company owned olive groves	752 hectares
Contracted olive groves	2,100 hectares
Milling capacity	64 tonnes per hour
Olive oil storage	4.5 million litres
Bottling capacity	3,500 bottles per hour
Olive Oil Awards	121
Supermarket accounts**	18,429
Employees	45



## ARGENTINA

Freehold land 1,500 hectares

\* As at 23 August 2024.

\*\* Source: 52 Weeks Ending 16 June 2024, Single Serve Culinary Olive Oil, Total IRI & Spins (MULO, Natural & Regional Independents). (Note: excludes Club stores (e.g. Costco) and select retailers (HEB, Whole Foods)).

# About Cobram Estate Olives Limited

One of the world's leading vertically integrated producers and marketers of premium quality extra virgin olive oil



## Company snapshot

- Established in 1998, Cobram Estate Olives Limited (ASX: CBO) is Australia's largest vertically integrated producer and marketer of premium quality extra virgin olive oil
- CBO owns Australia's top two home-grown olive oil brands\*, Cobram Estate® and Red Island®
- CBO owns 2.6 million olive trees planted on 7,000 hectares of freehold farmland in Victoria, Australia, and 493,000 olive trees planted on 752 hectares of freehold and long-term leased properties in California, USA.
- In total, CBO owns around 19,000 hectares of freehold farmland, of which 16,700 hectares is freehold farmland in central and north-west Victoria and south-west New South Wales. The Company also owns Australia's largest olive tree nursery, three olive mills, two olive oil bottling and storage facilities, and the Modern Olives® laboratory.
- CBO is a global leader in sustainable olive farming through continued innovation and market education; the release of 27 peer reviewed research publications; the development of the Oliv.iQ® integrated olive production system (<https://oliv-iq.com/>); our zero-waste initiative; and the creation of the Olive Wellness Institute® (<https://olivewellnessinstitute.org/>).



# CBO's Competitive Advantages

CBO's strategic olive assets deliver significant competitive advantages and strong barriers to entry



**Vertically integrated operations with strategically located, freehold-owned, olive groves and olive mills**



**Proprietary Oliv.iQ® Integrated Olive Production System**



**Premium market-leading brands Cobram Estate® and Red Island®**



**Industry-leading sustainability initiatives and products**

**Significant Barriers to Entry**

# CBO's Key Consumer Brands Including Market-Leading Cobram Estate®

Iconic, highly visible consumer brands with demonstrated pricing power



## Cobram Estate®

- The #1 selling olive oil\* in Australian supermarkets by value and volume in FY2024\*.
- The #8 selling olive oil brand in the USA by value, sold in over 18,400 USA stores\*\*.
- Exported to 13 countries including Japan, United Kingdom, Singapore, and New Zealand.
- Amongst the world's most awarded olive oils, winning more than 635 awards for excellence in quality and taste.
- \$104.2 million net sales in FY2024.

## Red Island®

- Purchased in 2012.
- Now the second largest selling brand of Australian extra virgin olive oil in Australian supermarkets\*.
- Exported to Japan, Thailand, Fiji, Malaysia and New Zealand.
- Multiple awards for excellence in quality and taste.
- \$40.9 million net sales in FY2024.

# CBO's Olive Growing, Milling and Bottling Operations in Australia and USA

Large-scale olive groves and olive mills, delivering efficiencies in olive growing, harvesting, milling, and bottling



## Olive groves, harvesters and farmland

- Australia: 2.6 million olive trees planted on over 7,000 hectares of Victorian farmland near Boundary Bend, Boort, and Wemen (Victoria).
- USA: 493,000 olive trees planted on 752 hectares of long-term leased and freehold properties near Woodland (California).
- 30 olive harvesters (including 24 Colossus and 3 Optimus).
- In total, CBO owns around 19,000 hectares of freehold farmland, of which 16,700 hectares is freehold farmland in Victoria and NSW.



## Olive mills and olive oil storage

- Australia: combined milling capacity of 112 tonnes of olives per hour and 6.8 million litres of olive oil storage located on-site at Boundary Bend and Boort (Victoria).
- USA: milling capacity of 64 tonnes of olives per hour and 4.5 million litres of olive oil storage located at Woodland (California).
- Utilising the Company's proprietary production system, Oliv.iQ®, CBO achieves average olive oil yields nearly nine times the global average per hectare (2,800 litres vs. 283 litres per hectare) with a production cost per litre 30% lower than world's weighted average.



## Bottling, warehouse, and laboratory / R&D

- Australia: high-speed filling capacity of 14,400 bottles per hour, 9 million litres of olive oil storage, and approximately 20,000m<sup>2</sup> of warehousing at Lara (near Geelong).
- USA: high-speed filling capacity of 3,500 bottles per hour, and approximately 5,000m<sup>2</sup> of warehousing at Woodland.
- CBO owns and operates one of the world's leading olive R&D, QA and olive oil testing laboratories – Modern Olives® - with labs in both Lara (Australia) and Woodland (USA).