







Oliver's Real Food Limited

# 2019 Annual General Meeting

ASX:OLI

29 NOVEMBER 2019

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## Oliver's Real Food Limited 2019 Annual General Meeting

Friday 29 November 2019

Kooindah Waters Golf Resort, 40 Kooindah Blvd, Wyong NSW 2259

### **AGENDA**

- 1. Quorum / Open Meeting
- 2. Chairman's Welcome, Introduction of Board & Management
- 3. Chairman's Address
- 4. CEO's Presentation
- 5. Notice of Meeting Taken as Read
- 6. Meeting and Voting Procedure
- 7. Business Consideration of Reports (General Q&A)
- 8. Resolutions:
  - 1. Remuneration Report
  - 2. Resignation of RSM as auditors and appointment of Bishop Collins Audit PTY LTD as auditors
  - 3. Re-election of Director
- 9. Other Questions
- 10. Meeting and Poll Close





# The Background

- → Jason Gunn founded Oliver's in 2003
- → We opened the first store in Wyong in 2005
- → Jason took the risk and proved the concept
- → Jason developed the concept and built the business into what it was when Oli listed on ASX in June 2017
- → Jason's employment as CEO and Board Member ceased in May 2018 as a result of disagreements with the Board on fundamental issues

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# The Turning Point

- → On Tuesday 26th February 2019, I was contacted by Kathy Hatzis to let me know that the business was in "serious trouble", that Mark Richardson (Chairman) had resigned, and asking if Amanda and I were prepared to return to the business to "try to save it"
- → On Thursday 28th February 2019, Amanda and I were appointed to the board as NEDs
- → Also on Thursday 28th February 2019, John Diddams and Peter Rodwell both resigned from the board
- → On 11th March 2019, I am appointed as CEO, Amanda Gunn is appointed as National Operations Manager
- → Also On 11th March 2019, Nicholas Dower is appointed as NED and Chairman, along with Steven Metter as NED and Company Secretary
- → Again On 11th March 2019, Kathy Hatzis resigns as NED



# The Resurrection

→ Address excessive spending: Immediately address the excessive spending on things like a corporate office in Sydney, cars for senior executives, corporate Amex cards for management team, and external consultants
TOTAL SAVINGS IN EXCESS OF \$500,000 PA

Rationalise the wages and salaries: Restructure and rationalise the board fees and top heavy Head Office management team

TOTAL SAVINGS IN EXCESS OF \$1,000,000 PA

Drive efficiency: Restructure the operational personnel and get them working efficiently

TOTAL SAVINGS IN THE ORDER OF \$1,500,000 PA

Reduce overheads: Close the NSW production kitchen to bring efficiencies through the two remaining (newer) facilities in Melbourne and Brisbane
 TOTAL SAVINGS IN EXCESS OF \$250,000 PA

Build Revenue: Rebuild the operations team and get focussed on the customer experience and building revenue at all locations.



# Building Revenue

- → Increased revenue is a simple equation.
  Patron count multiplied by average transaction value (ATV).
- → Happy, engaged team members sell more product.
- → "Would you like some beans with that, or some of our other delicious sides?"
- → Happy customers come back, and they bring their friends.











## **Financial Overview**

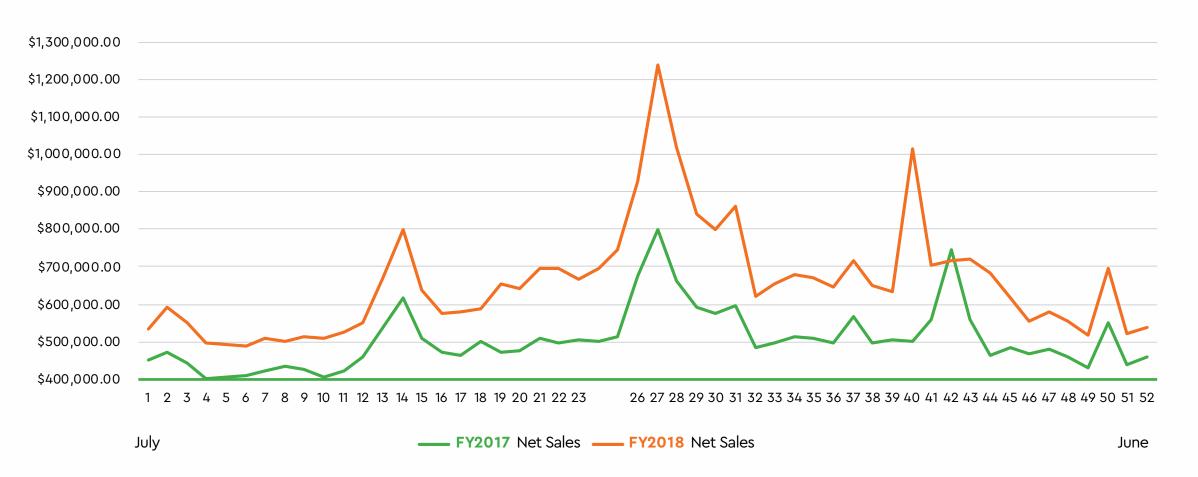
Filialicial Overview	YEAR ENDED 30-JUN-16 ACTUAL	YEAR ENDED 30-JUN-17 ACTUAL	YEAR ENDED 30-JUN-18 ACTUAL	YEAR ENDED 30-JUN-19 ACTUAL
Gross Profit	\$10.5M	\$13.9M	\$27.5M	\$25.7M
Gross Margin	61.3%	67.2%	76.3%	73.4%
Other Income	\$2.8M	\$0.4M	\$1.9M	\$0.1M
Operating Expenses	(\$11.5M)	(\$16.6M)	(\$26.7M)	(\$31.7M)
Reported EBITDA*	\$1.8M	(\$2.3M)	\$2.7M	(\$5.9M)
Less Land Sale EBITDA#	\$2.8M	-	\$1.9M	
Operational EBITDA	(\$1.0M)	(\$2.3M)	\$0.8M	(\$6.0)
One-off Costs	-	\$0.7M	\$0.7M	
Normalised EBITDA (excluding land sales)	(\$1.0M)	(\$1.6M)	\$1.5M	(\$6.0)
NPATA**	\$0.6M	(\$2.9M)	\$0.0M	
NPAT	\$0.6M	(\$2.9M)	(\$0.6M)	(\$6.0)

<sup>\*</sup> Earnings before Interest, Taxation, Depreciation and Amortisation and (EBITDA) is a financial measure, which is not prescribed by Australian Accounting Standards ("AASB") and represents the profit under AASB adjusted for specific non-cash and significant items. The Directors consider EBITDA to reflect the core earnings of the consolidated entity.

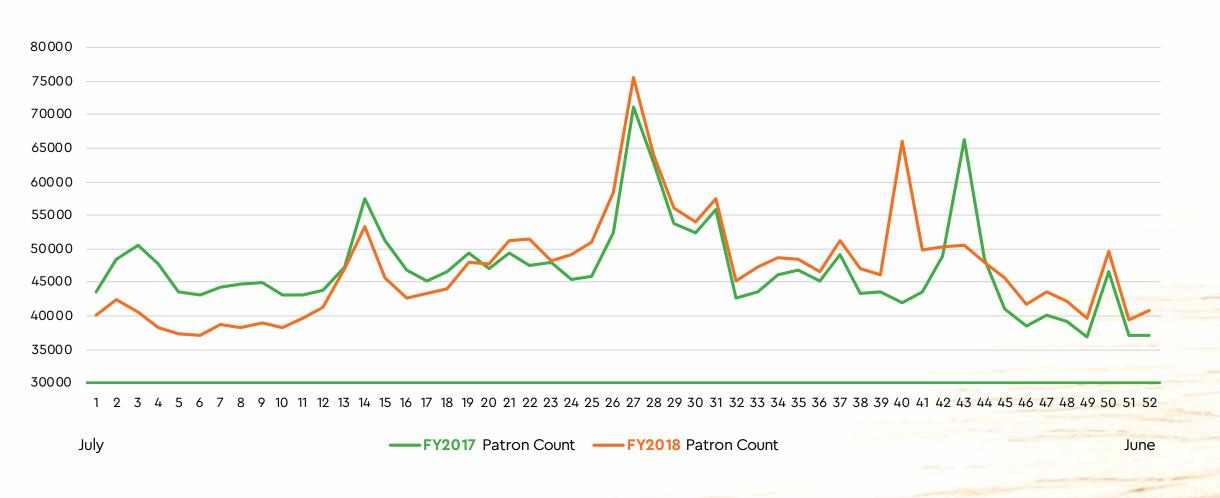
<sup>#</sup>Included sales of franchised stores

<sup>\*\*</sup> NPATA = Net Profit After Tax but before Amortisation

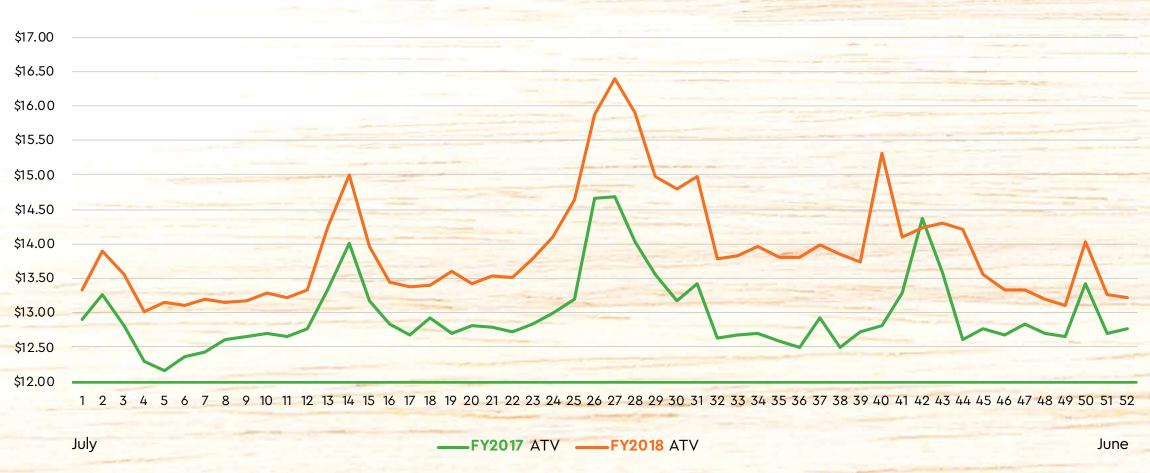
### **FY 2017 vs FY 2018 NET SALES**



### FY 2017 vs FY 2018 PATRON COUNT

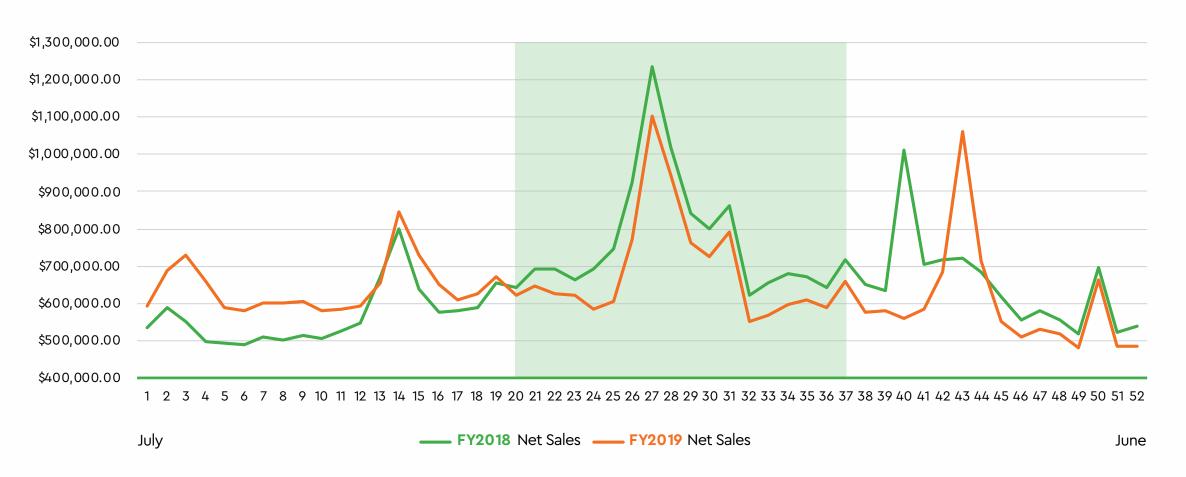


### FY 2017 vs FY 2018 ATV

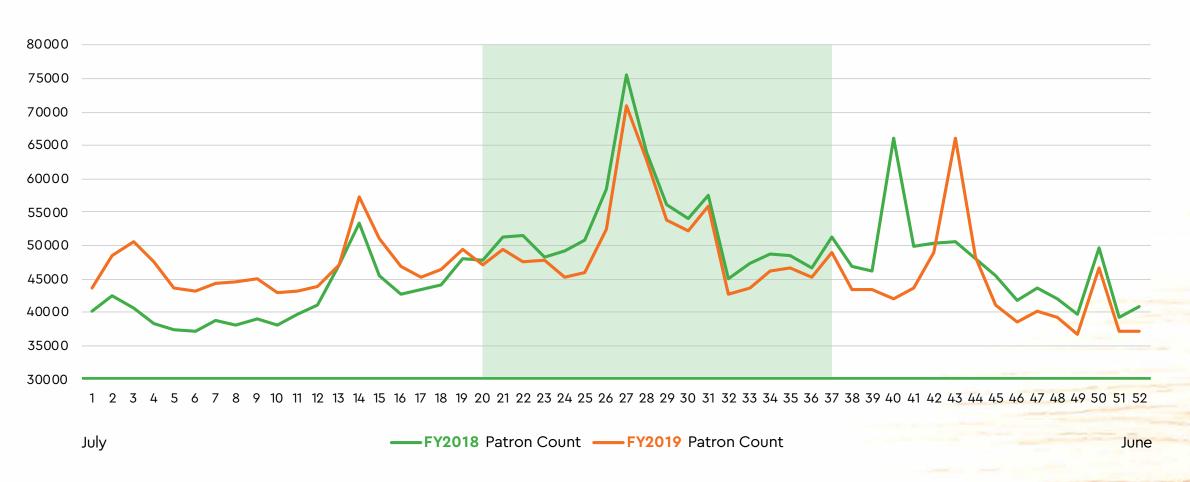


FY 2017 vs FY 2018

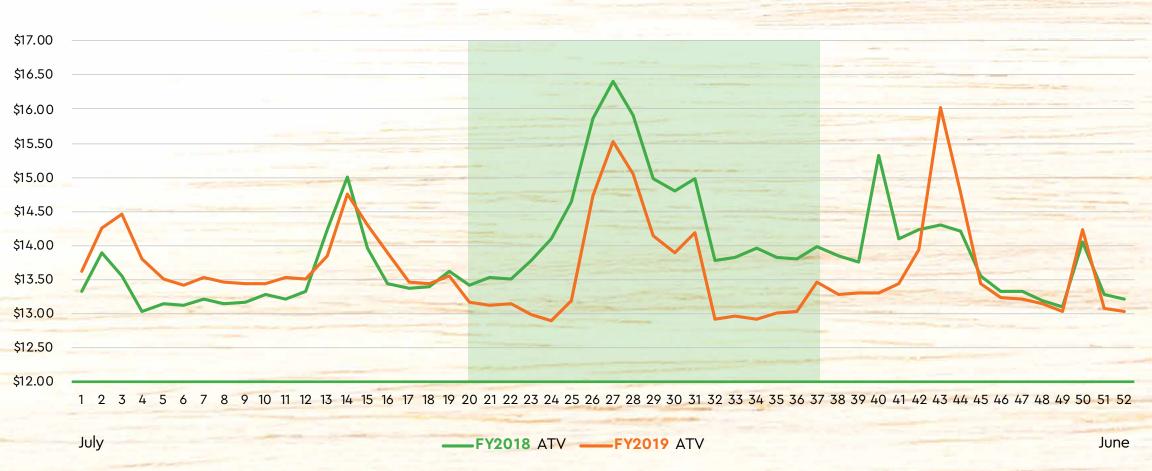
### **FY 2018 vs FY 2019 NET SALES**



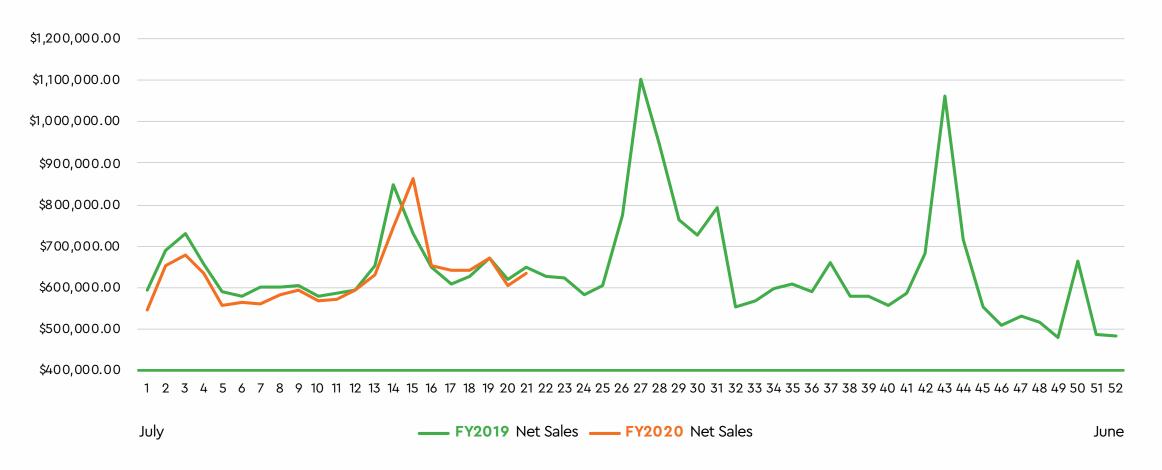
### FY 2018 vs FY 2019 PATRON COUNT



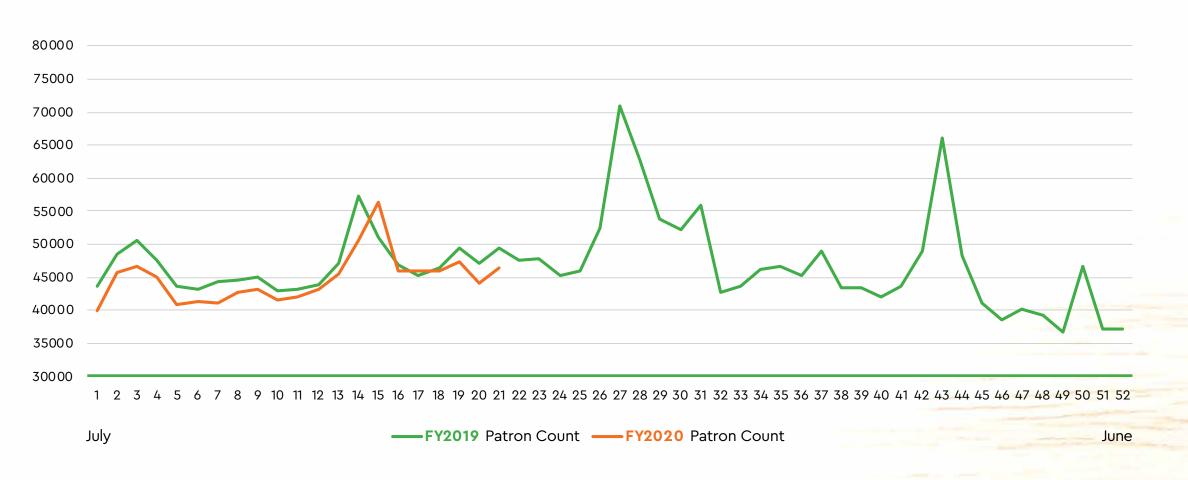
### FY 2018 vs FY 2019 ATV



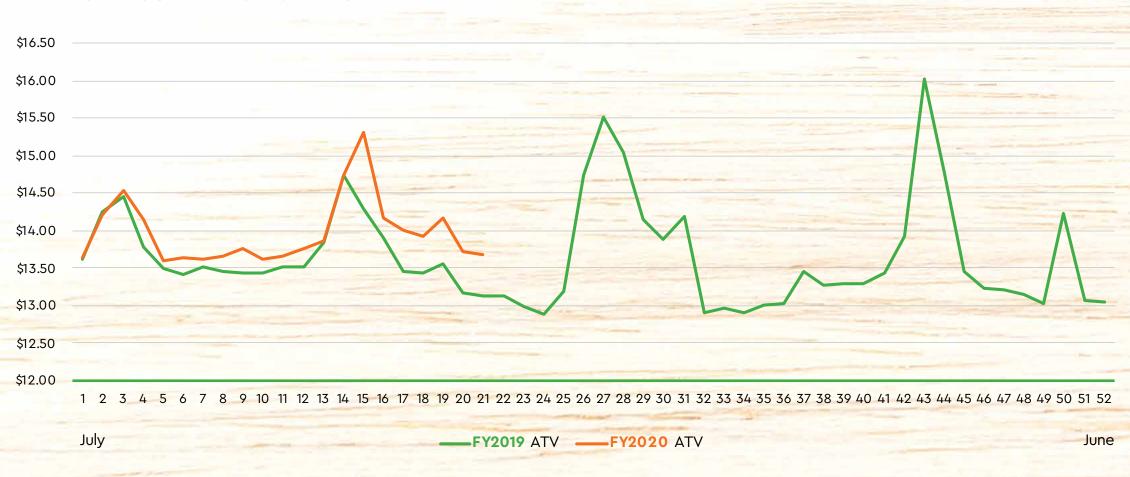
#### **FY 2019 vs FY 2020 NET SALES**



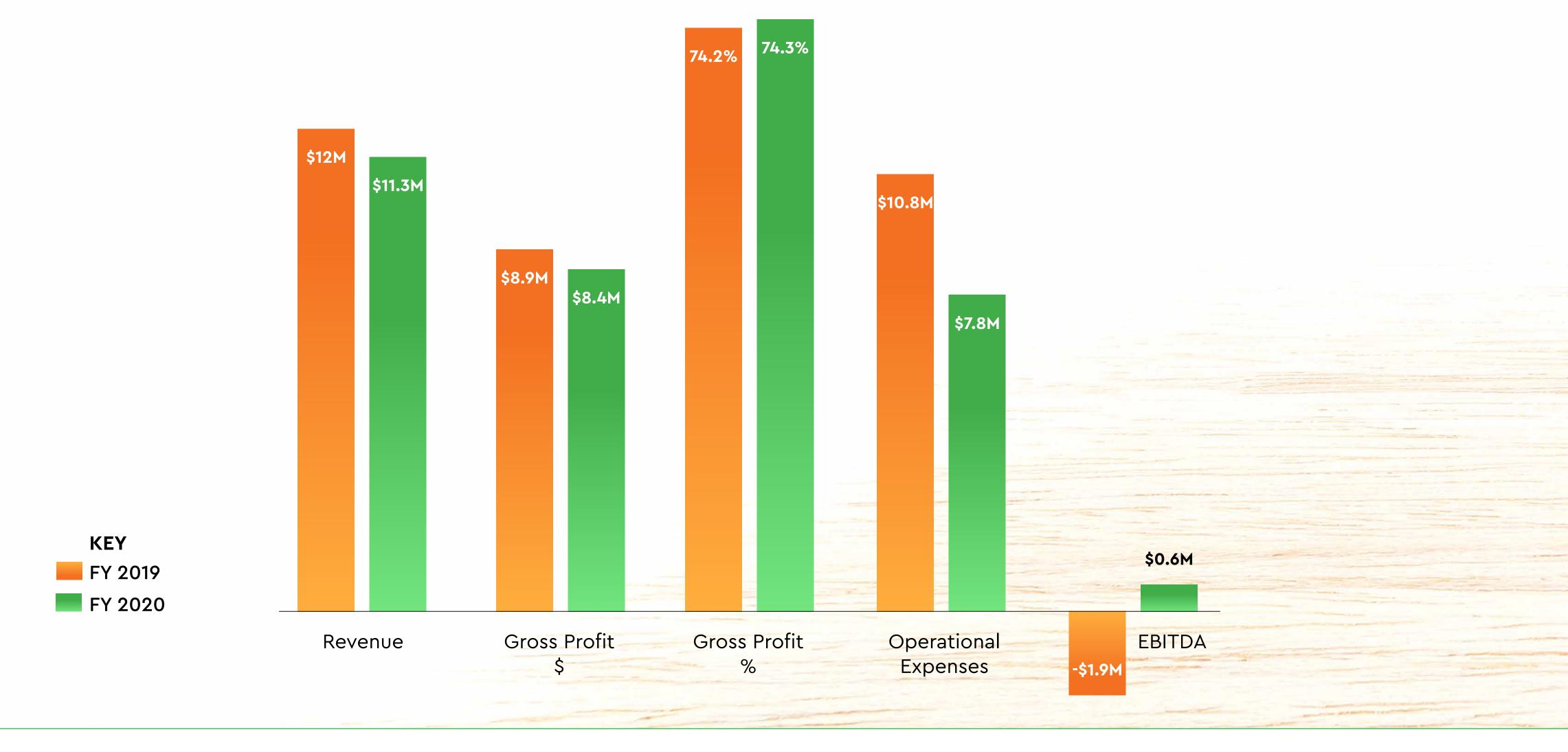
### FY 2019 vs FY 2020 PATRON COUNT



### FY 2019 vs FY 2020 ATV



## First four months – Financial Year 2019 v's Financial Year 2020



The Key is Happy Customers

→ Happy customers spend more money.

→ Happy customers come back time after time.

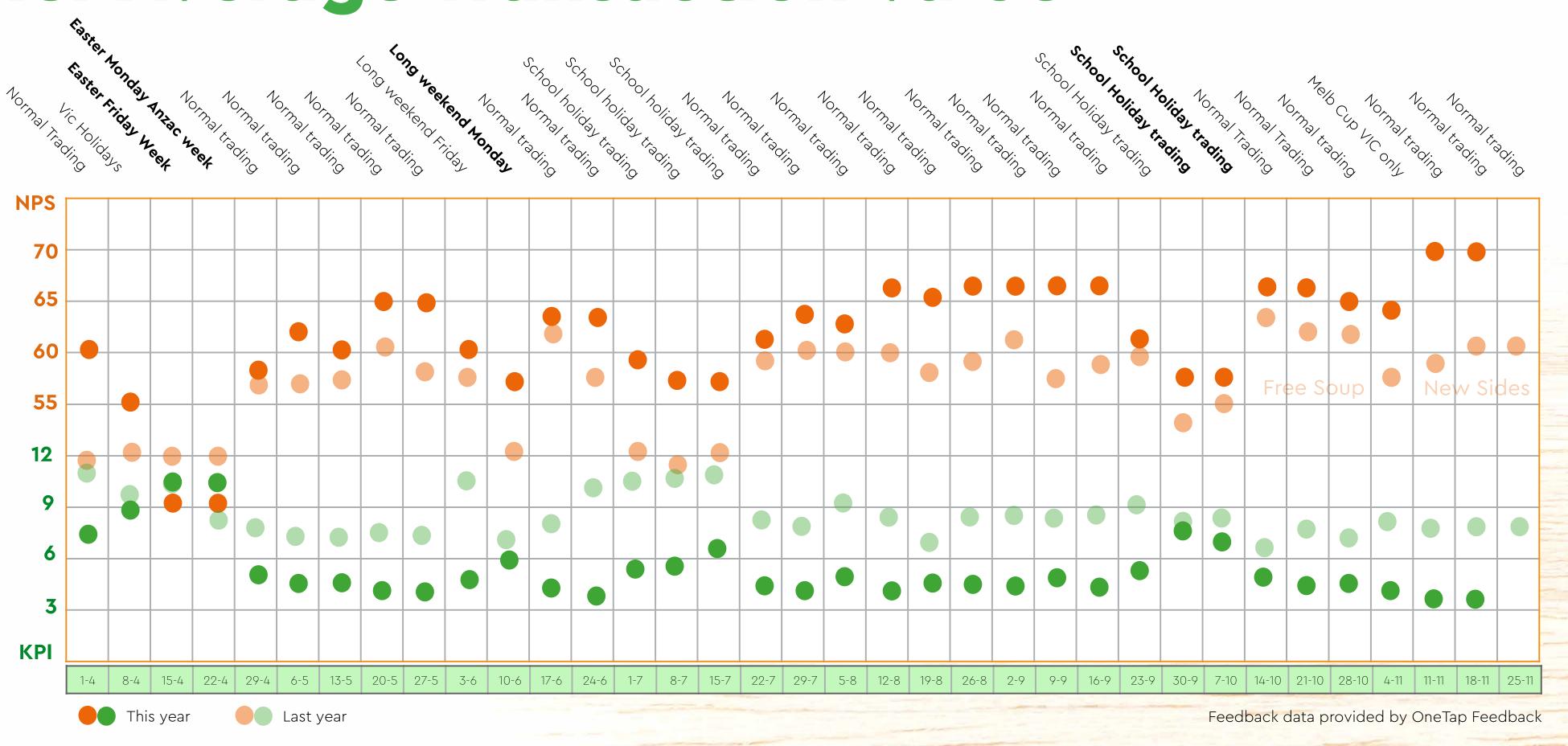
→ Happy customers bring their friends with them.

→ The business with happy customers cannot help but grow.



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# High Net Promoter Score = Higher Average Transaction Value



## Subsequent to the FY2019 reporting period

→ Introduced Take Home Meals to three locations to test

→ Introduced other new menu items

→ Commenced 24 hour trading

→ Self service kiosks into all stores

→ Online store development

→ Launched Feed Your Good Magazine





### **Current Store Network**

MARYBOROUGH, QLD
CHINDERAH, NSW
FERRY PARK, NSW
COFFS HARBOUR SOUTHBOUND, NSW
COFFS HARBOUR NORTHBOUND, NSW
PORT MACQUARIE, NSW
BULAHDELAH, NSW
HEXHAM, NSW
WYONG SOUTHBOUND, NSW
WYONG NORTHBOUND, NSW
LITHGOW, NSW
GOULBURN, NSW
GUNDAGAI, NSW

EUROA, VIC
WALLAN SOUTHBOUND, VIC
WALLAN NORTHBOUND, VIC
EASTLINK OUTBOUND, VIC
EASTLINK INBOUND, VIC
OFFICER OUTBOUND, VIC
OFFICER INBOUND, VIC
PEN-LINK OUTBOUND, VIC
PEN-LINK INBOUND, VIC
GEELONG SOUTHBOUND, VIC
GEELONG NORTHBOUND, VIC
BALLARAT, VIC

# Central Kitchens and Distribution Centres

- → BRISBANE KITCHEN AND DC
- → WYONG DC
- → MELBOURNE KITCHEN AND DC

# A Team of Committed and Dedicated Human Beings



Jason Gunn
Executive Director, Founder

Jason successfully anticipated the health food trend within the fast food market and leads the organisation with his passion and commitment to healthy nutrient dense food and sustainable business practices. His passion has resulted in Oliver's status as the world's first certified organic fast food chain. Before launching Oliver's, Jason created the Info-Link Building Information System Australia. Info-Link was successfully franchised internationally and sold to Reed Business Information Pty Ltd in 1997.

Jason has driven the Oliver's business growth since incorporation in 2003 and has been the brand, cause champion, food development lead, service, logistics, finance and operations steward since then. As Oliver's has developed, Jason has been able to attract an experienced and dedicated group of key management to manage the company's growth. Jason is a Graduate of the Australian Institute of Company Directors.



David McMahon
Chief Financial Officer

David joins the executive team at Oliver's as CFO with fantastic experience.

As a Fellow of the Institute of Public Accountants, a Member of the Governance Institute of Australia and also The Institute of Chartered Secretaries and Administrators, David is very well credentialed to fill the role.

In particular his experience at Woolworths On Line Division where David managed the Home Shop Division and was part of a successful relocation of the entire operation from Alexandria to Homebush without losing any trading days.

David project managed the complete upgrade of the website, a \$10.0m project.

In the Woolworths Property
Division: David managed
the national Construction
Finance Team, a Division of
Supermarkets and implemented
full reporting and forecasting of
all Capital Expenditure across
the Supermarket Division. David
was also part of a successful SAP
implementation Team.



Amanda Gunn
National Operations Manager

Amanda joined Oliver's in 2010 and brings to the Board of Directors extensive experience in Oliver's store management, company operations and performance, recruitment, training and store development.

Prior to joining Oliver's, Amanda worked with McDonalds before becoming a multi-store franchisee at Wendy's and also worked as a workplace trainer and assessor, delivering the franchisor's training programme to new franchisees.



Evan Solomon
IT Systems Manager

Evan Solomon is responsible for IT Infrastructure and Technical Support.

Evan has 25 years background in technical support, training and programming. Supporting companies in fields ranging from music and radio, non-profit, and manufacturing.

This has included development, planning and support of Customer Relationship Management systems, Material Requirements Planning (MRP) and Enterprise Resource Planning (ERP) systems, product weighing systems, and disaster and recovery planning.



Lori Thompson
Retail Operations Manager

Lori started with Oliver's in 2010. She managed the Oliver's Hexham site for 5 years and went on to be the first franchisee for 2 years. This helped Lori learn so much more about the Oliver's business.

In her current role as the National Business Development Manager, Lori absolutely loves working for Oliver's and developing and growing the stores and teams.

Prior to working for Oliver's

Prior to working for Oliver's Lori assisted with operating her family's business (pub/hotel) for 11 years.



**Darren Anderson**Vational Supply Chain Manager

Darren joined Oliver's in 2011 as our Facilities Manager after 25 years with McDonalds.

Darren started with McDonalds as a Store Supervisor and worked his way through the business eventually consulting to franchisees within the McDonalds network.

Darren's experience, combined with his detailed knowledge of the Oliver's business, its products and suppliers, makes him an extremely valuable part of the executive management team.



Shane Friswell
National Production Manager

Shane joined Oliver's in 2015 as Head Chef of the Queensland kitchen. Over time, Shane has successfully run and spent time in all of Oliver's production kitchens.

Shane was promoted to
Executive Sous Chef in 2018 and
stepped up into the National
Production Manager role in
2019. Shane has over 20 years
experience as a chef having run
a wide variety of kitchens from
large hotels and sports clubs to
restaurants and cafes.

### **OUR PURPOSE**

"TO EMPOWER
OUR CUSTOMERS TO
LIVE A HAPPIER AND
HEALTHIER LIFE"

FEED YOUR GOOD

BODY, MIND & SPIRIT



**OUR MISSION** 

"TO PROVIDE

EXCEPTIONALLY

DELICIOUS AND NUTRITIOUS

REAL FOOD"

4

A CONSISTENTLY FANTASTIC CUSTOMER EXPERIENCE

## **OUR VALUES**

## WE ARE ABSOLUTELY CUSTOMER FOCUSED



## passionate

WE ARE ALWAYS POSITIVE IN OUR INTERACTIONS. WE LOVE WHAT WE DO.



## ethical

WE LIVE HONESTLY,
RESPECTFULLY,
SINCERELY AND WITH
INTEGRITY.



### accountable

WE ARE ACCOUNTABLE FOR OUR CHOICES AND DECISIONS.WE 'OWN IT.'



## conscious

WE ARE CONSCIOUS
AT ALL TIMES OF
OURSELVES AND OUR
ENVIRONMENT.



## exceptional

WE UNDERSTAND
THAT WE ARE WHAT
WE REPEATEDLY DO.
EXCELLENCE IS OUR HABIT.



# Where To From Here

### **Consolidate & Strengthen**

- → We have 25 fantastic locations
- → Get focussed on delivering a consistently fantastic customer experience

**BUILD THAT NPS** 

- → Get focussed on being a better retailer
  SELL MORE PRODUCT TO MORE PEOPLE
- → Build revenue and manage the business for profitability

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