



6 May 2021

Manager, Company Announcements,
Australian Securities Exchange Limited,
Level 4, 20 Bridge Street,
Sydney NSW 2000

MACQUARIE INVESTOR CONFERENCE 2021 - PRESENTATION

Attached is a copy of the Breville Group Limited's presentation at the Macquarie Investor Conference 2021, held on 6th May 2021.

The release of this announcement was authorised by the Breville Group Limited Board.

Yours faithfully

A handwritten signature in black ink, appearing to read "Craig Robinson".

Craig Robinson
Joint Company Secretary
Breville Group Limited

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Master Every Moment™

Breville Group Limited (BRG)

Macquarie Investor Conference Presentation

6th May 2021




Breville | Sage

Disclaimer

To the extent this Presentation contains any forward-looking statements, such statements are not guarantees of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Breville, its Directors and management, and involve elements of subjective judgement and assumptions as to future events which may or may not be correct. Actual performance may differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. The forward-looking statements are based on information available to Breville as at the date of this Presentation. Except as required by law, including the ASX Listing Rules, Breville undertakes no obligation to provide any additional or updated information, whether as a result of new information, future events or results or otherwise.



- 
- Breville Fundamentals
 - Solution Migration
 - COVID Interlude
 - Outlook Confirmation



Breville|Sage Vision Statement

B R E V I L L E | S A G E

We are a global leader in kitchen experiences, enhancing people's lives through brilliant innovation and service design.



Large, Untapped Revenue Opportunity

Morgan Stanley Research Report, July 13 2020

Global small kitchen appliance - bottom-up model

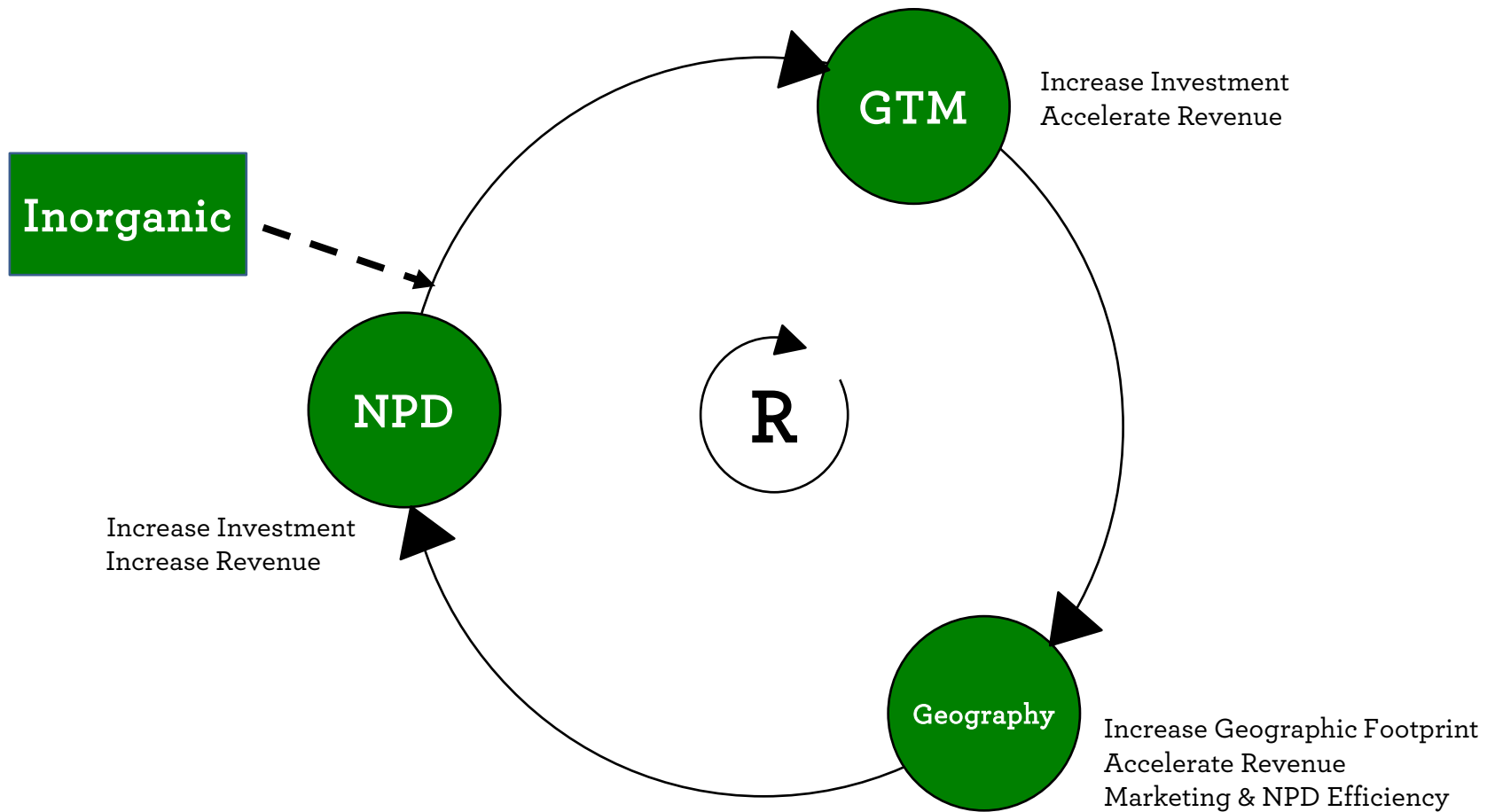
REVENUE OPPORTUNITY		A&NZ	N. America	EU	Asia	S. America	RoW	Global
Years of operation	#	46	18	7	NA	NA	NA	NA
Population	m	30.8	368.8	831.4	3537.8	652.1	2278.0	7698.9
Households	m	11.2	144.2	341.3	992.7	193.7	508.2	2191.3
GDP per capita	A\$k	70.2	85.6	36.5	11.4	14.8	20.1	56.6
BRG revenue	A\$m	151.2	432.6	89.6	NA	NA	NA	752.3
Revenue per HH	A\$	13.5	16.4	7.0	2.2	2.8	3.8	4.4
Revenue opportunity	A\$b	0.3	2.4	2.4	2.2	0.5	2.0	9.7
Upside	x	2.0x	5.5x	26.7x				12.9x

Source: Euromonitor, Morgan Stanley Research estimates.

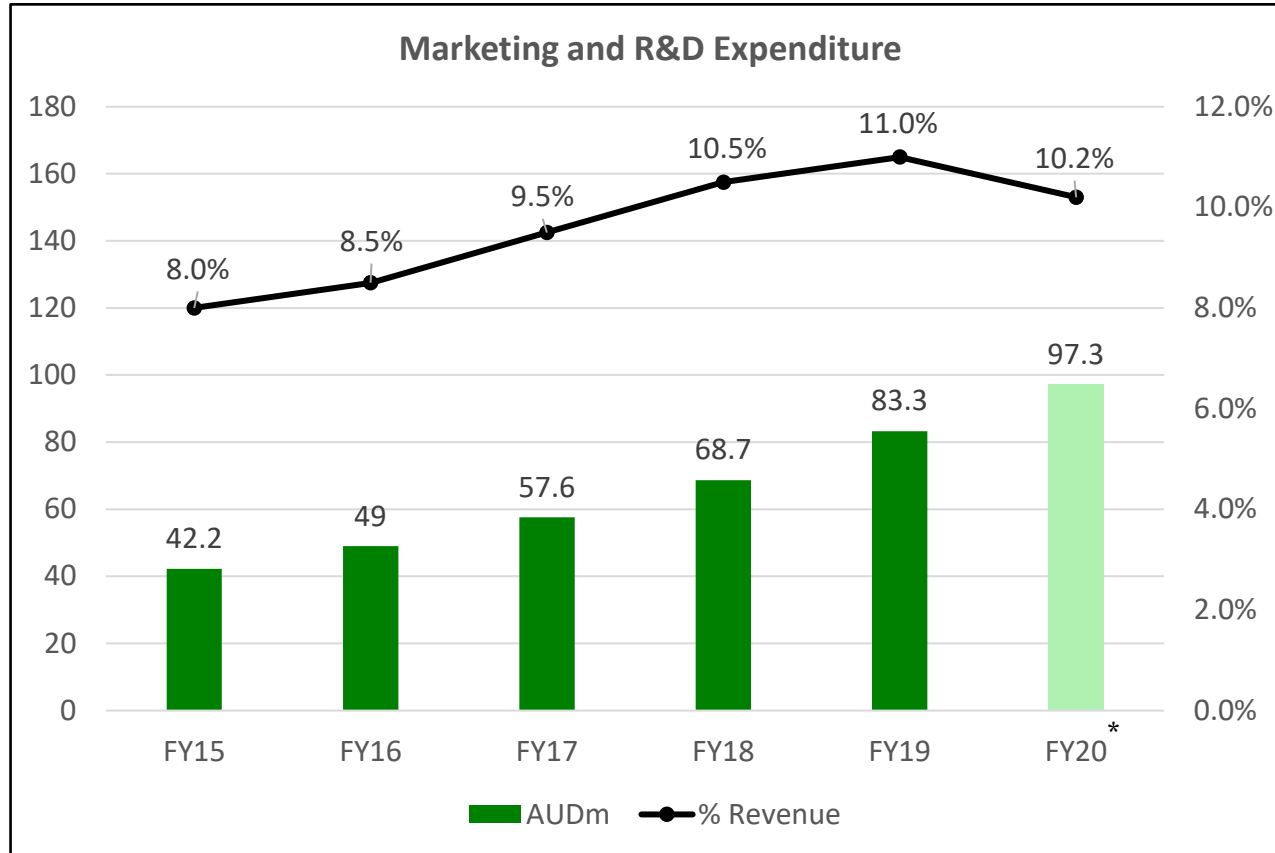
- One of the few, truly global Australian companies
- At ~A\$1B in revenue, have a long way to go
- Assuming large, untapped opportunity, focus reverts to team's ability to execute



Reinforcing Loop of Innovation Driven Growth



Investing Behind Organic Growth Drivers

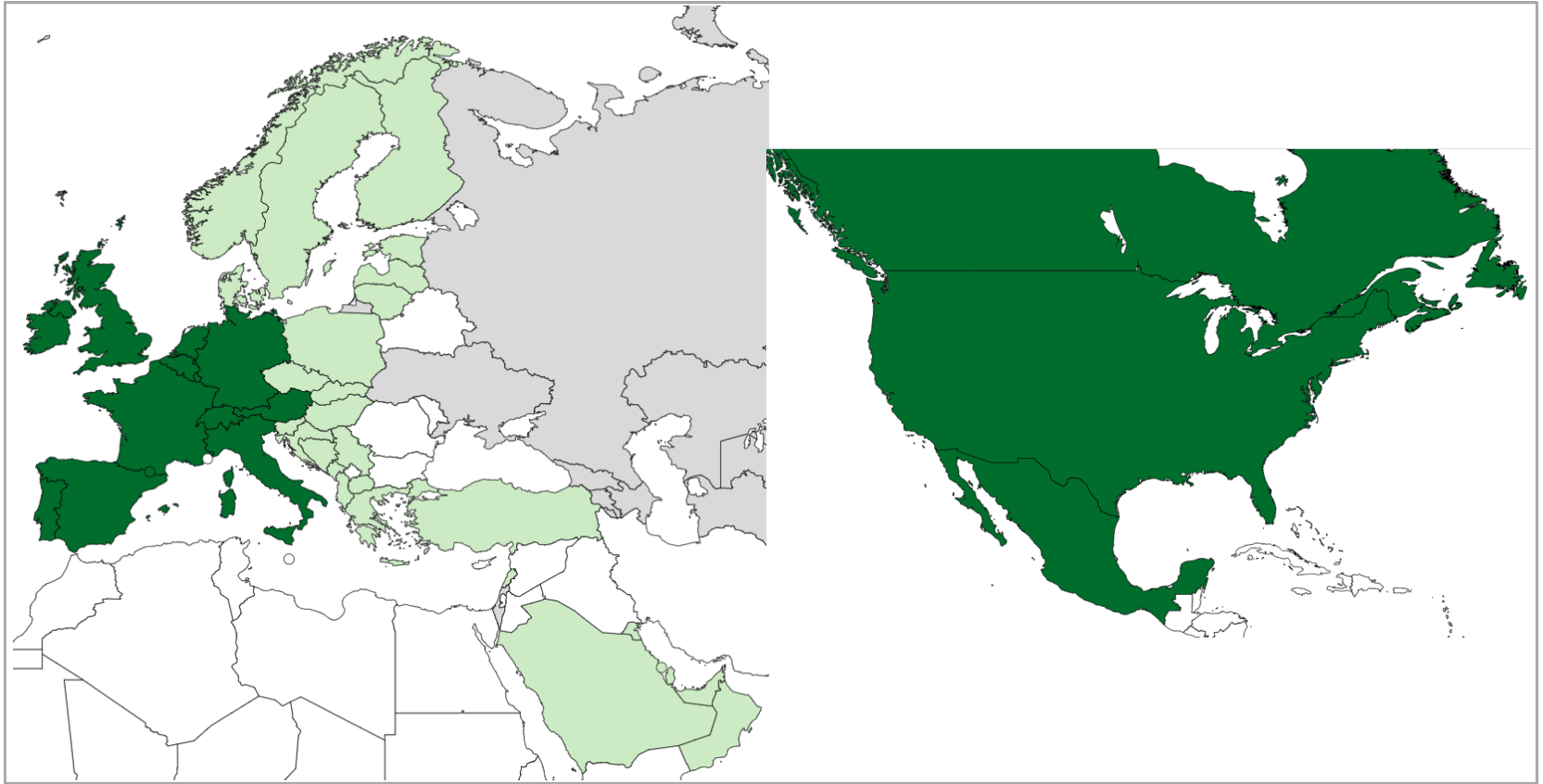


As an innovation-driven company, we have continued to increase our investment in Marketing and R&D. FY21 will show material step up from FY20.

* Marketing expense materially curtailed Mar-Jun 2020 due to government lockdowns.



Continuous Cadence of Geographic Rollout



FY16-17

Apr 2018

Apr 2019

Sep 2019

Apr 2020

Apr 2021

- Nordics
- Baltics
- Eastern Europe

- Germany
- Austria

- BeNeLux
- Switzerland

- Spain
- Turkey

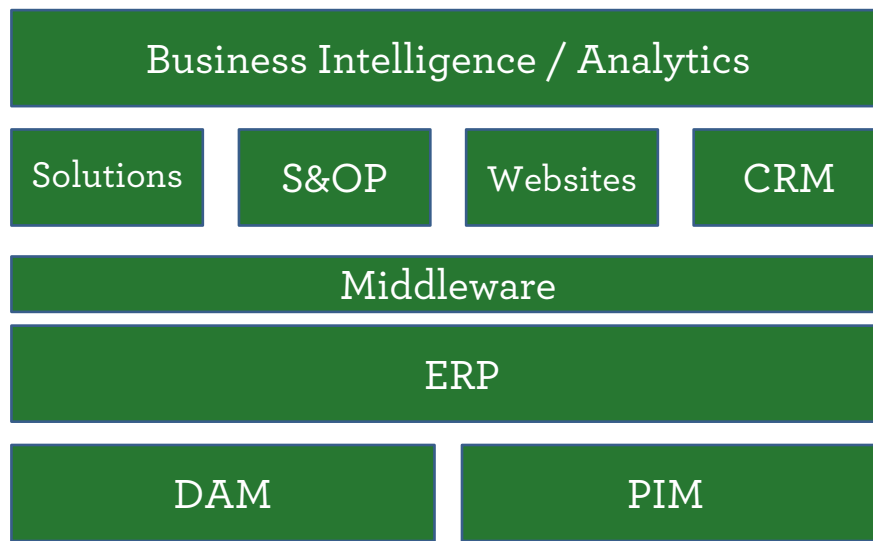
- France
- Middle East

- Italy
- Portugal
- Mexico

Using Inorganic Lever to Accelerate Flywheel



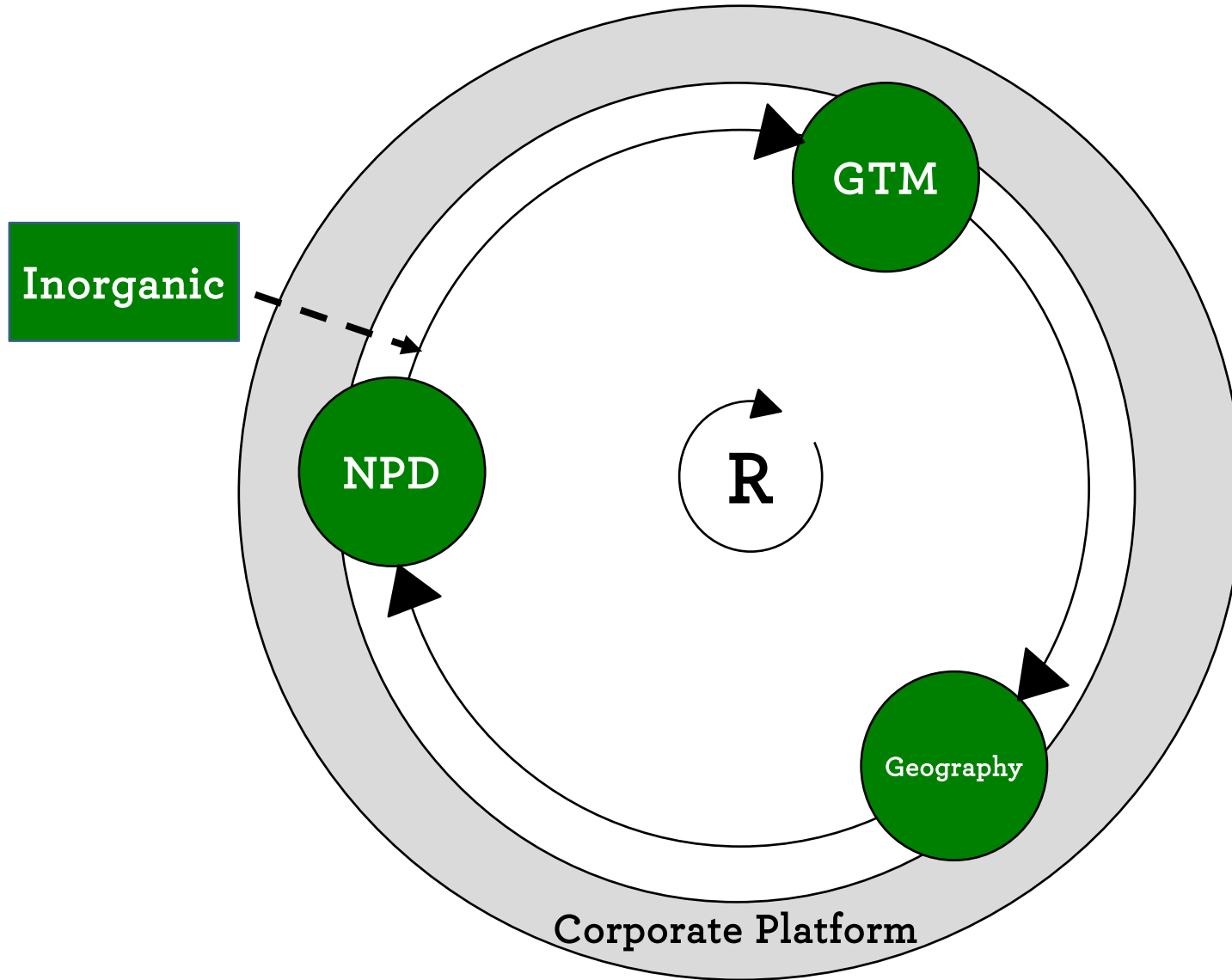
Rolling Out Corporate Platform Designed to Scale



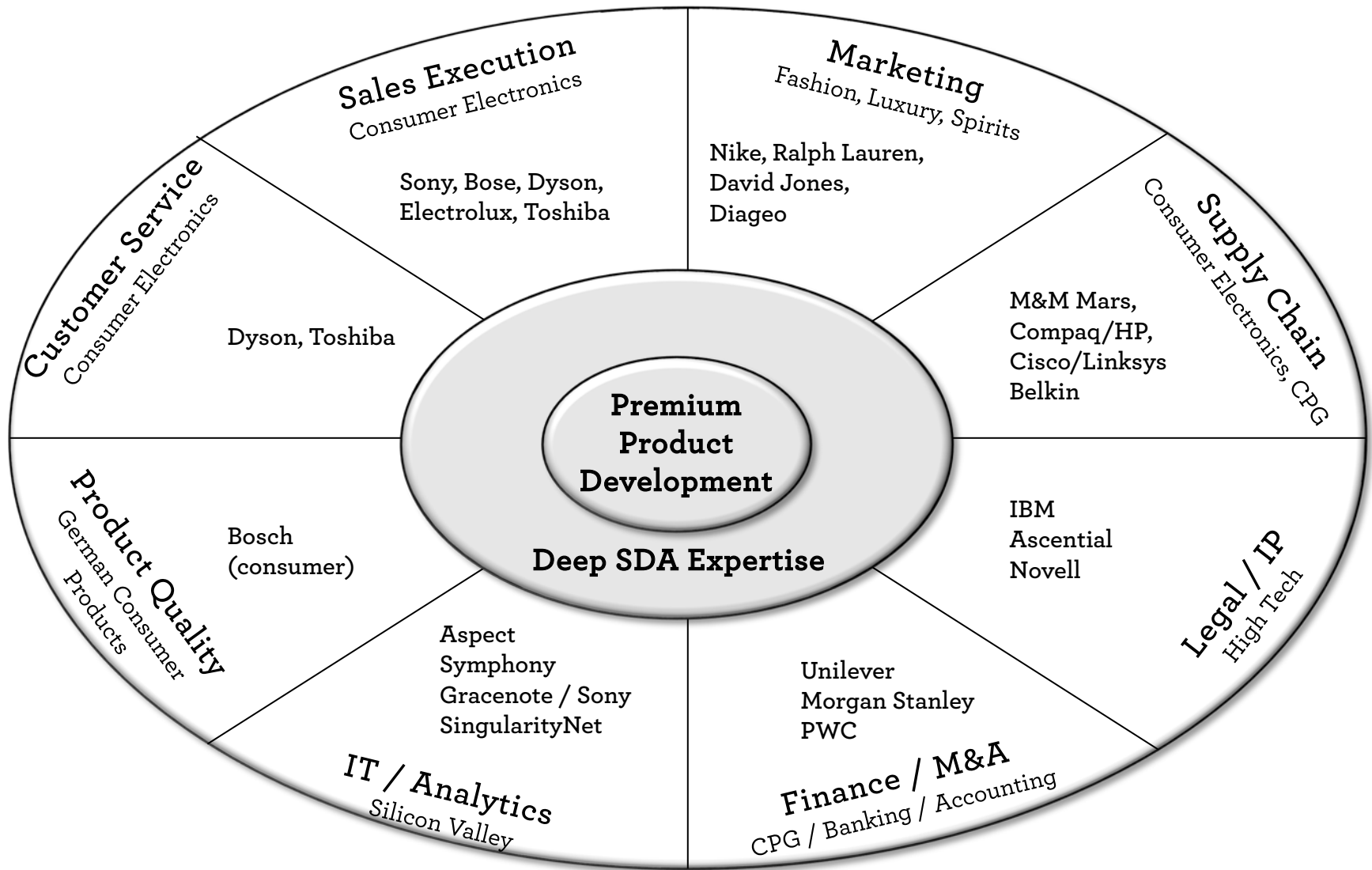
- Common, global, cloud-based instance
- Reduces cost of change (new country) and shortens time-to-market for new global capabilities
- Designed to metabolise acquisitions
- Will complete rollout in FY22



Reinforcing Loop of Innovation Driven Growth



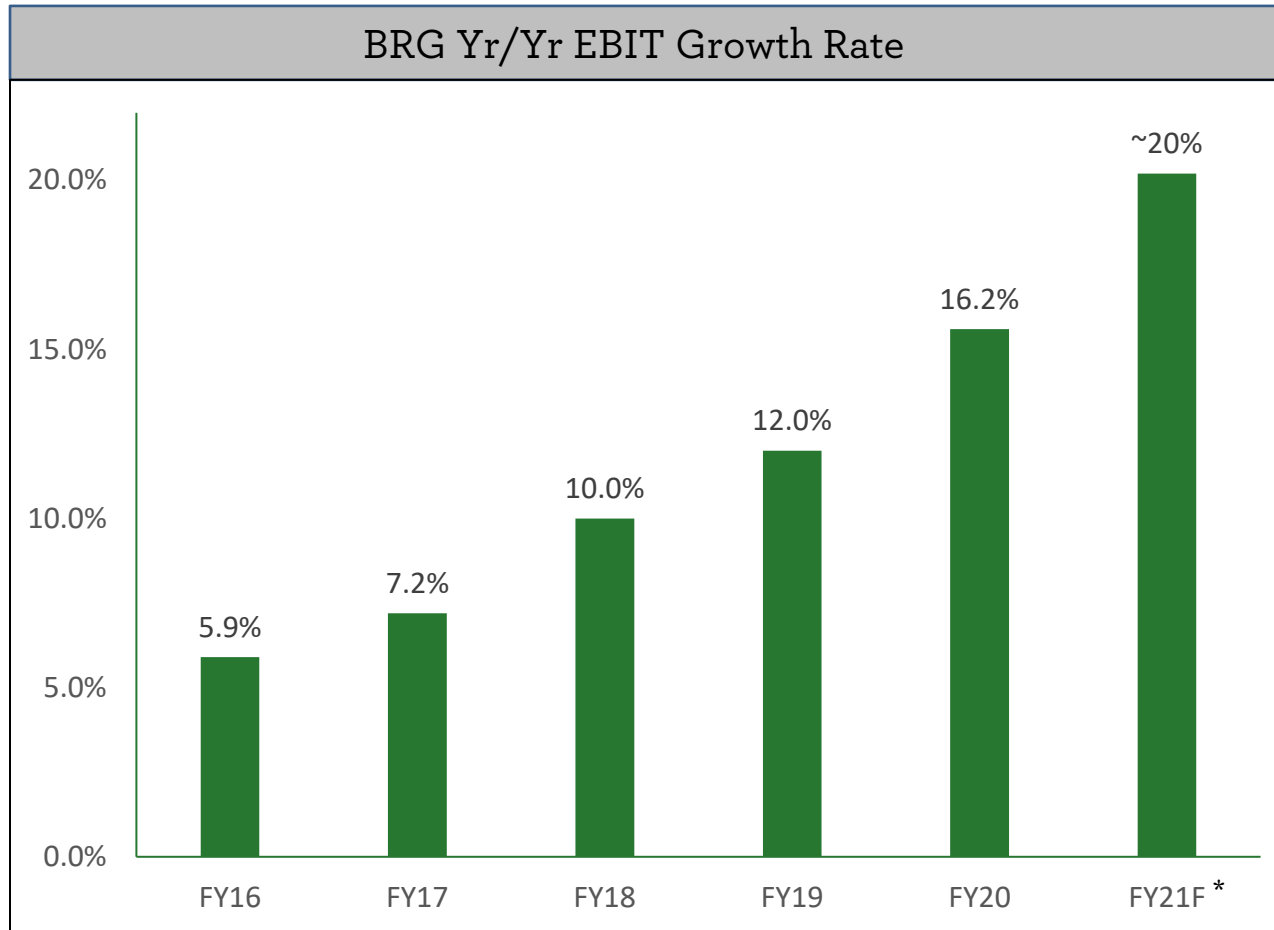
Team Capable of Executing Against Opportunity



Combining core SDA Expertise with Best-in-Class Functional Capabilities



Results to Date on Track

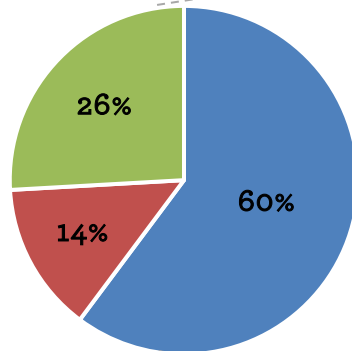


* Estimate based on current EBIT guidance of \$136M for FY21.

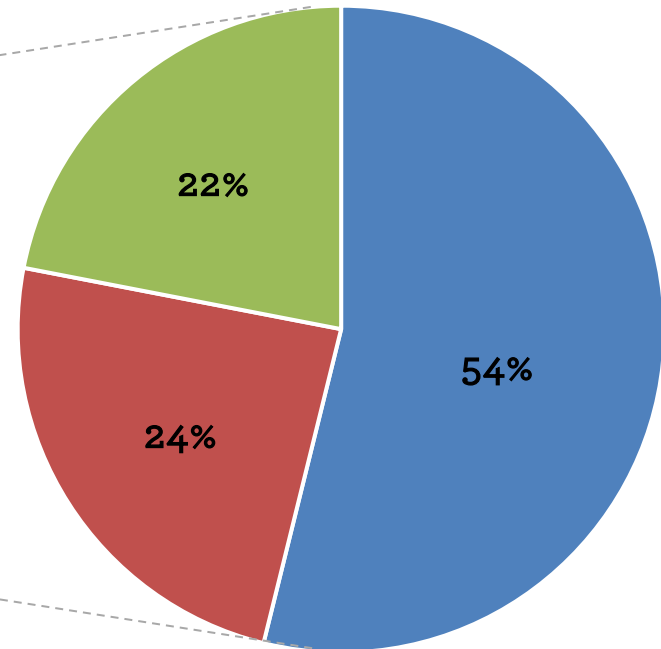
Strategy Driving Geographic Diversification

1HFY17 Global Product Segment Net Sales
Total: A\$ 265M

1HFY21 Global Product Segment Net Sales
Total: A\$ 593M



Global Product Segment
4 Year CAGR*: 21%



EMEA
39%

APAC
18%

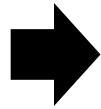
Americas
18%

4 Year CAGR*

EMEA + APAC is almost equal to the Americas Region. Any shortfall in one region can now be covered by another. EMEA and APAC can cover each other, and EMEA+APAC can cover Americas

* CAGRs (compound annual growth rate) are calculated in constant currency

- Breville Fundamentals



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Migrating Up the Product Value Curve



Joule Oven Air Fryer Pro

Ecosystem

Product

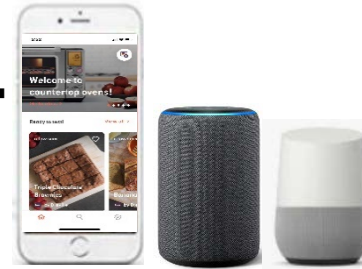


Content



Platform

Standards-based IoT Platform



- Chefs
- 1,000,000 users of Chefsteps.com (user generated content)
- Breville Smart Oven Air Customers

End-to-End Coffee Solution

Ecosystem

Products



Breville | Sage **BARATZA**

Content/Service



beanz™

Platform

Coffee Marketplace

Dropship / Subscription Services

ERP

- Specialty Coffee Roasters
- Specialty Coffee Cafes



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Demand Line Characteristics

- Breville has been a net beneficiary of the work-from-home environment.
- Consumers have been trading up (premiumisation).
- Consumers are adjusting to the retail environment as they find it (lockdown, open). Mix across retailers in flux as stores open and close.
- To date, demand line is self-sustaining—within the constraint of the ability to service demand, there is little need to drive it.
- Period/period 2H growth rate will soften vs. 1H because March-June denominator includes initial COVID spike.
- Aggregate demand within a given country remains relatively unpredictable (6-to-12-month window).
- Strengthening of A\$ will drive translation delta vs. 1H.



Supply Characteristics

- 2H20 and 1H21 was a chasing game, with sell out outstripping planned sell in.
- 2H21 has created the opportunity to catch the demand curve. Next step is re-pipelining the supply chain and staying in front of demand.
- Forward planning has enabled us to avoid many of the challenges faced by others.
- Consumer demand of “things” is stressing global logistics, resulting in delays and increased costs.
- During month of April, dollar value of inventory greater than prior year.
- Falling USD is putting pressure on input costs.



Tactics For Managing Through COVID Interlude

- Accept that demand line is unpredictable—react quickly once it reveals itself.
- Supply chain is challenged—pull early to get out of the way, and plan over longer horizons to avoid problems.
- Provide retail partners with as much transparency as possible to enable them to plan appropriately.
- Bet on black and red at the same time:
 - Align the cost structure for the downside, spending when we see the headroom, leaning into variable vs. fixed.
 - Buy inventory for the upside, with the goal of running inventory past demand, then selling back down to the demand line.
- Align investments behind exiting the COVID interlude at velocity.



- Breville Fundamentals
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➡ • Outlook Confirmation



Reconfirming FY21 Guidance

- Assuming no significant change in economic conditions in the Group's major trading markets, given the H1 21 performance, we expect EBIT for the full year of FY21 to be approximately \$136M.
- Over the 2H, we expect continued investment in marketing, R&D, and infrastructure projects, consistent with our commitment to continue investing in our long-term strategy for the company.