

27 May 2024

## Investor Update

Retail Food Group Limited (ASX: RFG) is pleased to release an investor update, including a summary of our business model, market conditions and an update on recently acquired Beefy's Pies.

We will present this information at an investor event later today.

This announcement has been authorised for release by the Board of Directors.

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### Investor Enquiries:

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### About Retail Food Group Limited:

RFG is a global food and beverage company headquartered in Queensland. It is Australia's largest multi-brand retail food franchise manager, and is the owner of iconic brands including Gloria Jean's, Donut King, Brumby's Bakery, Crust Gourmet Pizza and Beefy's Pies. The Company is also a roaster and supplier of high-quality coffee products, supplied under the Di Bella Coffee brand.

For more information about RFG visit: [www.rfg.com.au](http://www.rfg.com.au)

Sign up for investor alerts at: <https://investorhub.rfg.com.au/auth/signup>



# INVESTOR UPDATE MAY 2024

**RETAIL  
FOOD  
GROUP**

# Introductions



**Matt Marshall**  
Chief Executive Officer



**Rob Shore**  
Chief Financial Officer



**Leah Soutar**  
Head of Brand Operations



**Jacinta Caithness**  
Non-Executive Director



**Tom Elliott**  
Head of Company Store  
Operations



**Tanya Watt**  
Chief Marketing Officer

# Agenda

- 
- Welcome
  - Our Business Model & Strategy
  - Market conditions
  - Beefy's Pies update

**Matt Marshall** Chief Executive Officer  
**Rob Shore** Chief Financial Officer

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- Company Stores Update

**Tom Elliott** Head of Company Store Operations

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- Introduction to Jacinta Caithness

**Jacinta Caithness** Non-Executive Director

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- Operations & Pathway to Retail Excellence

**Leah Soutar** Head of Brand Operations

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- Multi Site Operator (MSO) Focus
  - Introduction to Nobal Masri

**Matt Marshall** Chief Executive Officer  
**Nobal Masri** Multi Site Franchise Partner

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- Marketing update and growth opportunity
  - Donut King Occasions
- 

**Tanya Watt** Chief Marketing Officer



# About Retail Food Group

Retail Food Group is a global food and beverage company headquartered in Queensland, Australia. RFG is Australia's largest multi-brand retail food and beverage franchise owner with a portfolio of quality franchise brands under its ownership.

**33**  
COUNTRIES

**>40m**  
CONSUMER TRANSACTIONS

**11**  
BRANDS

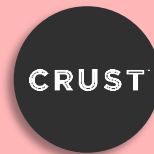
**>500m**  
DOMESTIC NETWORK SALES

**7000**  
ESTIMATED DOMESTIC  
NETWORK EMPLOYEES

**c. 1300**  
GLOBAL TRADING OUTLETS



11 BRANDS  
OPERATING IN  
33 COUNTRIES USE  
THE RFG RECIPE  
FOR SUCCESS



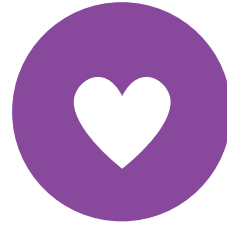
Estimated as at 31 December 2023.

# Our growth drivers



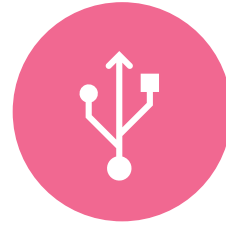
## GREAT CUSTOMER EXPERIENCES

We strive for a positive customer experience in everything we do by building brand relevance, delivering elevated experiences and driving insight led innovation.



## A HEALTHY NETWORK

The health of our Franchise Partner network is a fundamental driver of success underpinned by the strength of the unit economics in each brand.



## ACCELERATED TECH SOLUTIONS

Investment in technology to unlock omni channel opportunities, enhance the customer experience and access new revenue streams.



## GROWTH FOCUSED

Focus on attracting the right partners with accessible, easy to operate brands that are capital light and have the potential for network scale.



## HIGH PERFORMING TEAM

A highly capable and supportive community where our people and franchise partners are empowered and thrive.



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# OUR BUSINESS MODEL

# We have a large, established business generating in excess of \$500 million of network sales in two huge markets

The domestic Australian Coffee, Café, Bakery ('CCB') market is estimated to be **\$8.6 billion** which suggests our Group market share is less than **5%**

The domestic Quick Service Restaurants ('QSR') market is estimated to be **\$22.4 billion** which suggests our Group market share is approx **0.5%**

- The majority of our operations are in the CCB segment
- Donut King is a clear category leader in donuts
- Gloria Jean's is a significant player in the coffee category which is dominated by independents

1. IBISWorld Report, Coffee Shops in Australia, December 2023 Revenue Estimate \$3.9 bn  
2. IBISWorld Report, Bakery Product Manufacturing in Australia, March 2024, Revenue estimate \$4.7 bn  
3. The Pizza category is estimated at \$4.5bn (i.e. c. 3% share) by IBISWorld Pizza Restaurants and Takeaway in Australia, October 2023.



# Our Business is Franchising.



# Business Model

RFG provides services to franchisee's

...including access to brands, operational systems, product innovation, procurement, marketing, IT (including point of sale) and takes on the risk of leases commitments

...in return for a % share of the franchisee's revenue

**SUCCESS.  
MADE.  
SIMPLE.**

RETAIL  
FOOD  
GROUP



GLOBAL  
BRAND NAMES  
ESTABLISHED  
IN THE MARKET



WE PROVIDE  
ONGOING  
SUPPORT AND  
DEVELOPMENT  
OPPORTUNITIES



PROVEN BRAND  
SYSTEMS AND  
PROCESSES



BENEFIT FROM  
STRONG SUPPLY  
SCALE LEVERAGE  
THROUGH RETAIL  
FOOD GROUP



# We own and operate household brands.



Donut King is a fast growing brand and we're excited about both franchised and corporate store growth opportunities



**205**  
TRADING  
OUTLETS

**13.2m**  
CUSTOMER  
COUNT

**\$9.15**  
AVERAGE  
TRANSACTION  
VALUE

**+3.1%**  
SAME  
STORE  
SALES

- Since the first store opened in Sydney, Donut King has been the shopping trip treat for the average Australian kid ever since 1981
- We remain just as passionate about donuts and fun!
- We operate 26 corporate stores nationwide

In FY23 we served up **25,297,710** cinnamon donuts

1. All figures weeks 1 - 43 of FY2024 unless otherwise noted.

# We own and operate household brands.



**Gloria Jean's is a core brand within our portfolio with significant opportunities for international growth, select new sites domestically and maximizing network sales**

**138**

DOMESTIC  
TRADING  
OUTLETS

**9.2m**

CUSTOMER  
COUNT

**\$9.98**

AVERAGE  
TRANSACTION  
VALUE

**+4.2%**

SAME  
STORE  
SALES

- Great coffee has been the driving passion for Gloria Jean's Coffees since 1979
- Gloria Jean's now operates in over 33 countries, including in Australia since 1996
- We roast our own blends of coffee beans to maximise flavour in our Sydney roastery
- We're introducing product innovation with Chillers such as our Biscoff chiller and new menu items such as Acai



In FY23 we  
sold **1,388,173**  
flat white  
coffees



# We own and operate household brands.



## Brumby's is core to many Australian communities and a consistent performer in our portfolio

- At Brumby's, we take pride in moulding the perfect creation born from simple ingredients. We share a passion and love for our craft like no other
- The first store opened in Victoria in 1975 and we remain committed to serving freshly baked bread made from scratch every single day

In FY24 we sold **36 hot cross buns per trading minute** over Easter



**78**

TRADING  
OUTLETS

**6.5m**

CUSTOMER  
COUNT

**\$9.81**

AVERAGE  
TRANSACTION  
VALUE

**+3.4%**

SAME  
STORE  
SALES



# We own and operate household brands.



9

TRADING  
OUTLETS

0.4m

CUSTOMER  
COUNT

\$15.81

AVERAGE  
TRANSACTION  
VALUE

+7.0%

SAME  
STORE  
SALES

**BEEFY'S is a family orientated business who strive on making great quality products and providing an excellent guest experience in store**

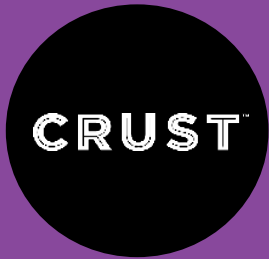
- Established in 1997, key products are manufactured in house at their factory on the Sunshine Coast. Vertical integration of manufacturing ensures they deliver their vision of

**'Bigger, Better, Beefier Meat Pies – Guaranteed'**

- Since acquisition, Beefy's have commenced expansion throughout Queensland and Northern NSW with the tenth store to open in Ballina in June 2024



# We own and operate household brands.



Crust differentiates with an obsession for quality. We pride ourselves on using real, fresh ingredients on every pizza. We call this Crust-Worthy

**132**  
TRADING  
OUTLETS

**2.4m**  
CUSTOMER  
COUNT

**\$44.04**  
AVERAGE  
TRANSACTION  
VALUE

**(7.0)%**  
SAME STORE  
SALES

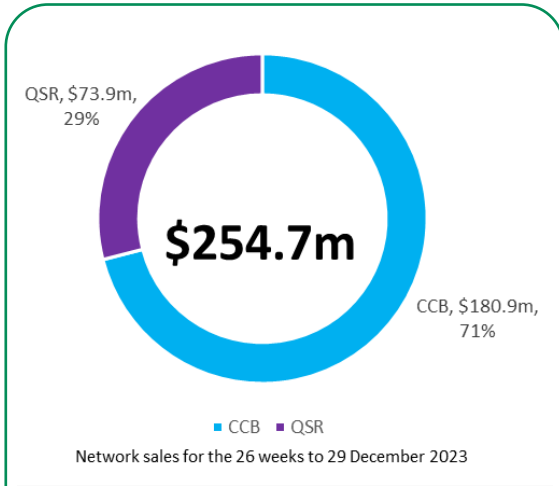
- Born in 2001 from a dream to make gourmet pizzas available to all, the first Crust Pizza store opened in Annandale, New South Wales
- We now have 130 trading outlets known for their innovative product offering and famous gourmet pizza flavors
- We operate 3 company store outlets including two multi-brand sites and a standalone store in Cleveland, QLD we recently converted from Pizza Capers

In FY23 we sold **746,613** peri peri chicken pizzas



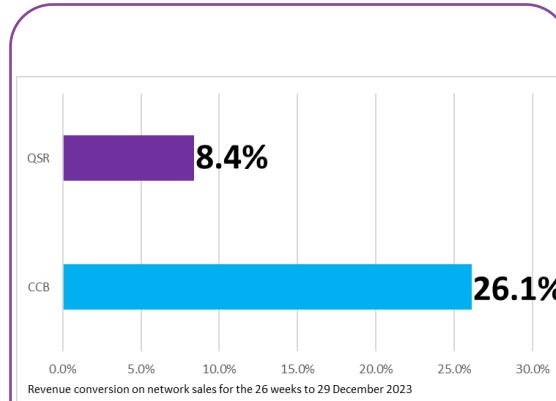
1. All figures weeks 1 – 43 of FY2024 unless otherwise noted.

# How We Make Money: Network Sales Conversion



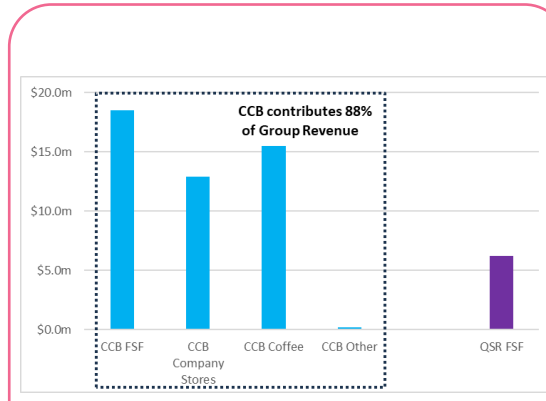
## NETWORK SALES

Network sales ('NS') is the total amount processed by the network through tills including company stores and franchisee's. NS excludes mobile and international



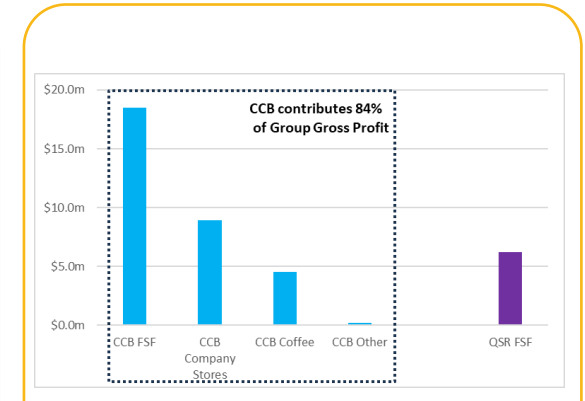
## CONVERTS TO REVENUE

Revenue conversion rate (or yield) varies by segment because (a) the CCB segment includes vertical integration of product supply, primarily coffee; and, (b) the Group operate company stores



## REVENUE

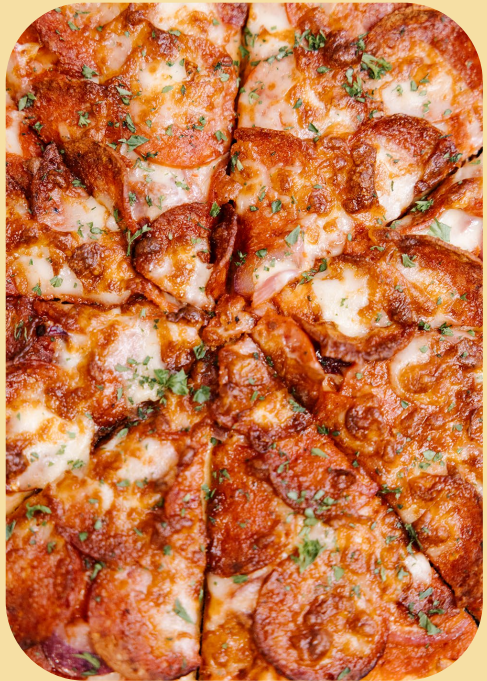
CCB contributes 88% of Group revenue. Company stores were almost wholly CCB in H1 and their network sales convert to revenue at 100%



## GROSS PROFIT

Franchise Service Fee's convert to Gross Profit at 100%, Company Store Revenue is approx. 69% and coffee supply at approx. 29%





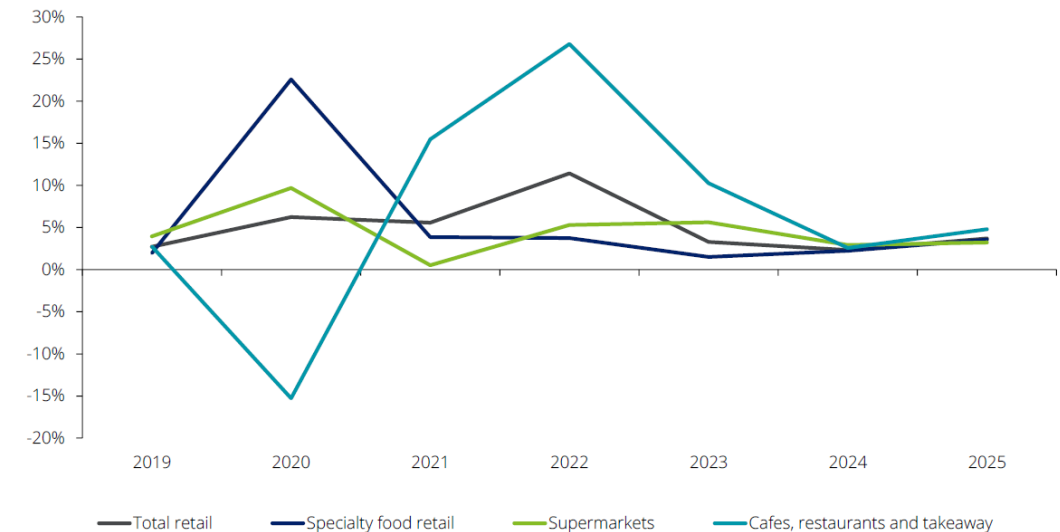
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# MARKET CONDITIONS

# Retailing macro economic conditions remain weak

- Retail is emerging from a long recession, with retail sales volumes increasing by 0.3% in the December quarter (following four quarters of decline).
- We expect improvement in market conditions in FY25 as tax cuts, growth in real wages and population, and the potential for rate cuts are expected to allow some consumers to ditch frugality.
- Our brands are not immune to a tougher retail environment with our higher ATV (\$44) pizza & ribs brands more impacted than the lower ATV (<\$10) coffee & café brands

Chart 16: Annual change in nominal retail turnover



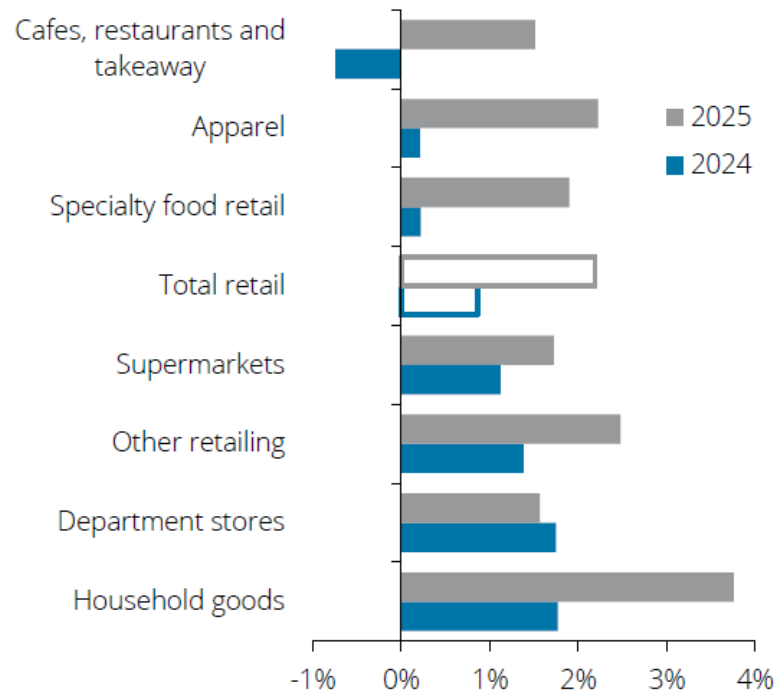
Source: ABS 8501.0, Deloitte Access Economics.

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# Conditions are expected to improve in FY25

Economic tailwinds are expected to benefit FY25 with real turnover forecast to grow boosted by federal and state tax cuts alongside measures to ease cost of living pressures

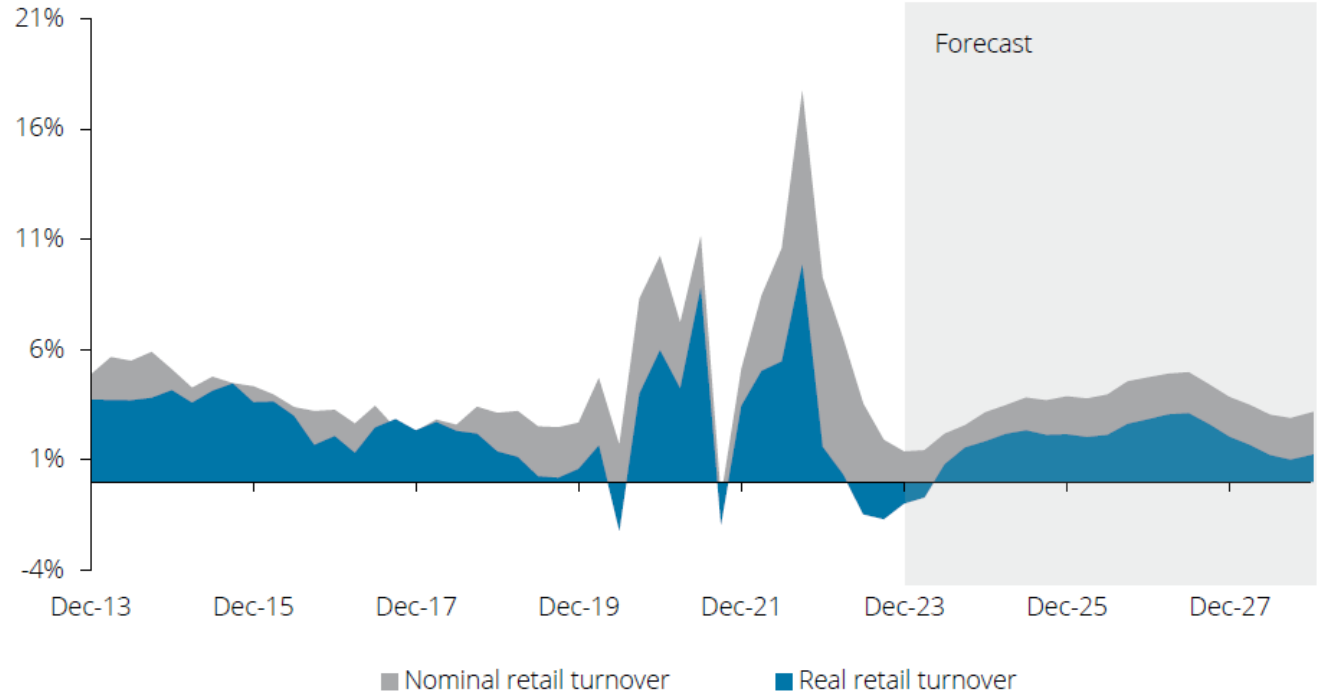
Chart 22: Annual real retail turnover by category



Source: Deloitte Access Economics, ABS 8501.0

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Chart 23: National real and nominal retail turnover



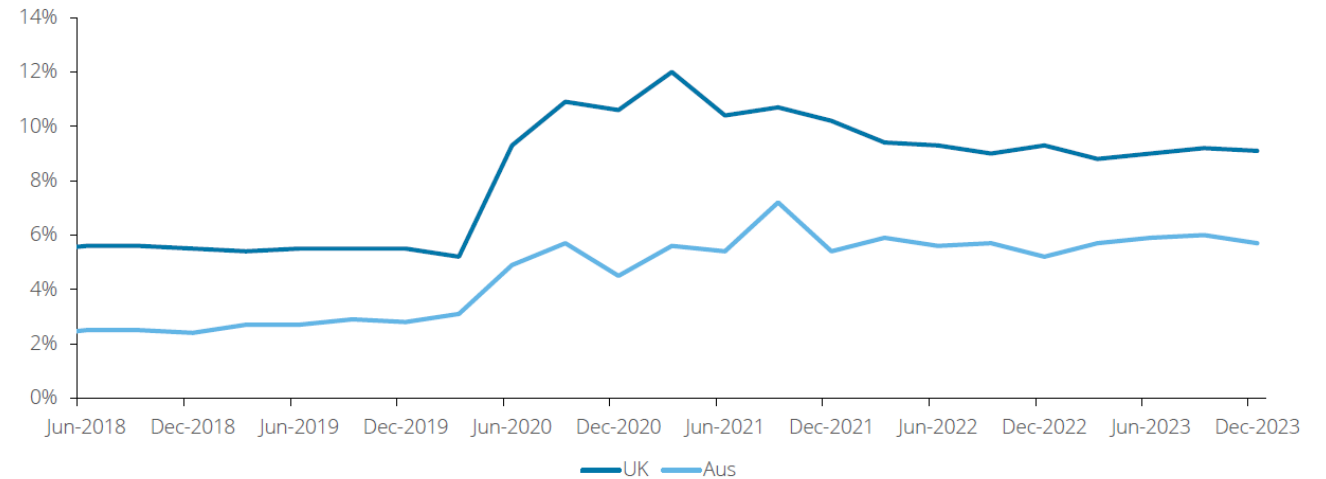
Source: Deloitte Access Economics, ABS 8501.0

# Online ecommerce remains a growth opportunity with Australia lagging behind other countries

Australia lags behind the UK in the uptake of online food shopping, however online shopping in general is more popular in the UK.

Food represents a larger share of the online basket in Australia than the US or the UK

Chart 19: Online shopping as a share of Food retail, Australia and UK

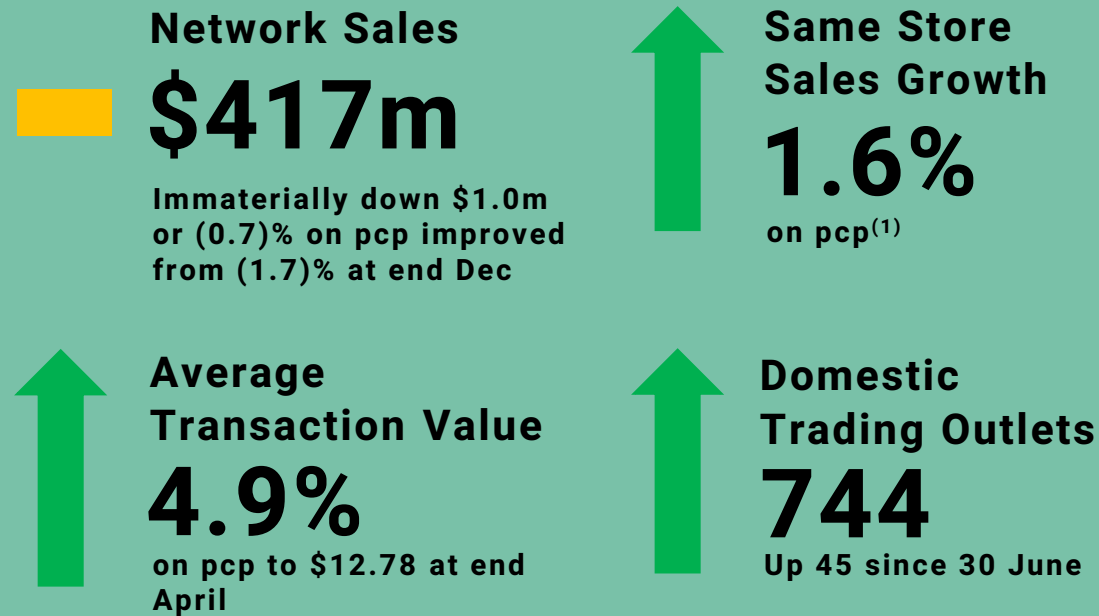


Source: Deloitte Access Economics, ABS 8501.0, UK Office of National Statistics

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# Despite macro headwinds, momentum maintained

## Year to date (10 months to April 2024)



YTD Network Sales flat relative to PCP closing the gap from H1.

- Strong growth from core CCB brands offset by weakness in QSR brands
- QSR continues see challenges with strong price competition from larger, national competitors
- We continued to comp FY23 outlet closures with a net 45 new outlets opened YTD, (net 17 decline in 12 months of FY23). We are delivering domestic net outlet growth for the first time in recent years

### Non-core brand consolidation project accelerating

- Mobile brand conversion to Gloria Jean's underway
- 2<sup>nd</sup> Michel's conversion to Gloria Jean's underway in Toowoomba
- Pilot conversion of Pizza Capers to Crust successfully completed in Cleveland, QLD

(1) SSS includes Rack'em Bones BBQ Ribs which are distributed through the existing Crust network and Beefy's Pies relative to the SSS performance in the pre-acquisition period last year



# Café, Coffee, Bakery ('CCB') performed strongly

**\$297m**

DOMESTIC NETWORK SALES  
UP 1.7% ON PCP

**\$276m**

SAME STORE SALES  
UP 3.4%

**\$15.7k**

AVERAGE WEEKLY  
SALES UP 10.8%

**498**

TRADING OUTLETS  
DOWN 6 FROM 30 JUNE

**30.8m**

CUSTOMER COUNT  
DOWN 3.6%

**\$9.63**

AVERAGE TRANSACTION  
VALUE UP 5.6% ON PCP

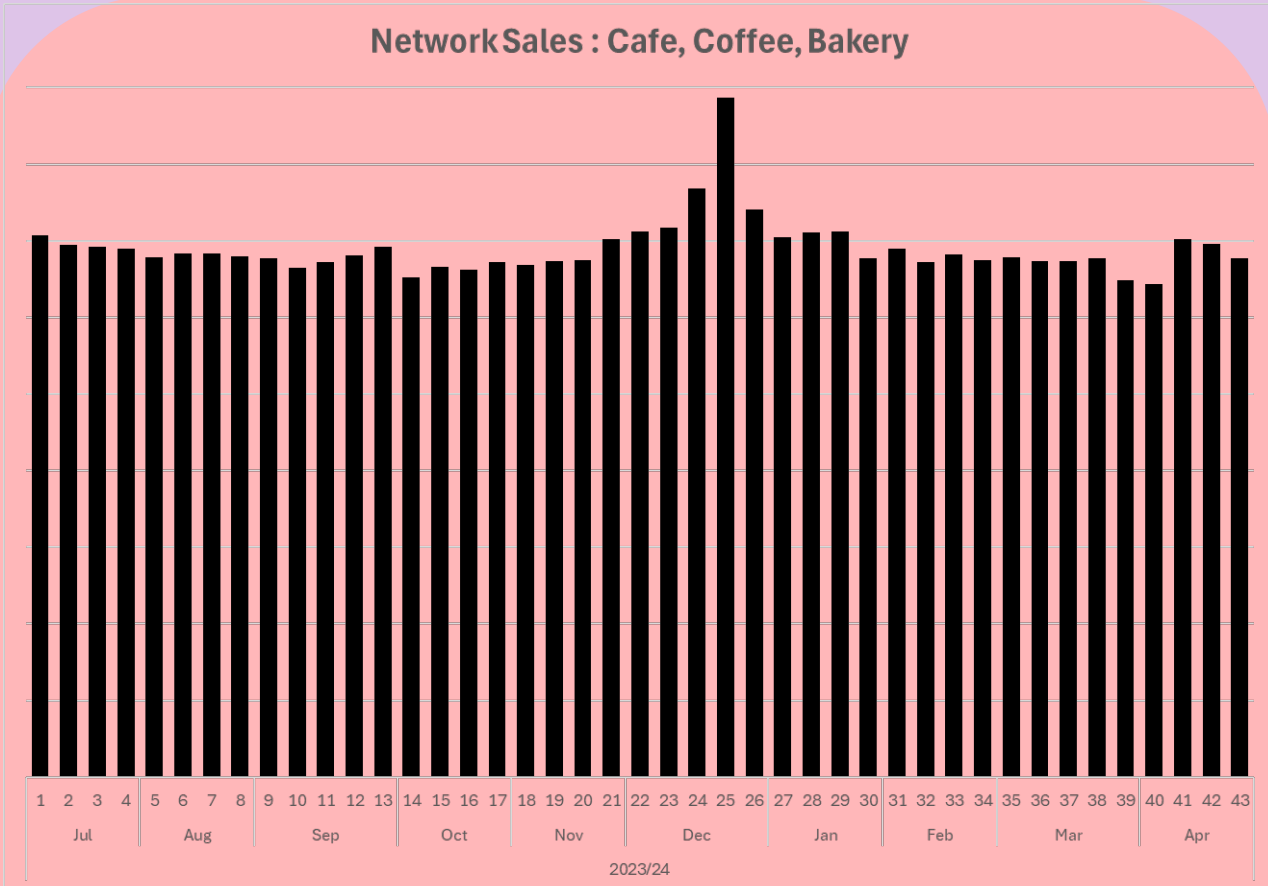
- CCB contributes c.71% of group network sales with higher revenue conversion due to vertical integration of coffee and pie manufacturing
- Core CCB brands (Donut King, Gloria Jean's, Brumby's and Beefy's) showing SSS growth. Beefy's performing strongly with SSS growth of 7% (vs pre-acquisition results)
- Net trading outlets in core CCB brands grew by 7 including loss of 6 Brumby's outlets and Beefy's acquisition. Non-core brands declined by 13
- Brand consolidation project commenced with mobile brands converting to Gloria Jean's to strengthen all Franchise Partners and concentrate efforts

(1) All figures for the 43 weeks ending 26 April 2024 (10 months) compared to the prior comparative period in FY23





# Café, Coffee, Bakery ('CCB')



- Customer count remains impacted by FY23 outlet closures and lower foot traffic in malls in a tougher economic environment
- Our brands have been resilient in the face of tough retail conditions and have taken advantage of seasonal improvements, e.g. school holidays and Easter with higher network sales
- Core brands continue to outperform legacy brands. Our brand consolidation project will assist the smaller brands
- CCB pricing actions in FY23, and well executed marketing campaigns, drove SSS up 3.4% on PCP
- We continue to see newer, higher quality outlets drive network sales growth. CCB includes Beefy's, which was consolidated from 11 December and is performing strongly with SSS of +7.0%

(1) Network sales based on unaudited reported sales by Franchise Partners and company outlets for FY23 weeks 1-52 and weeks 1 – 43 of FY24

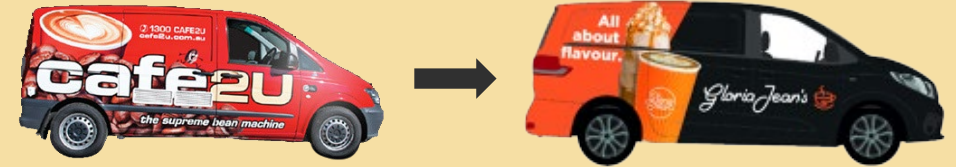


# Non-core Brand Consolidation Underway

UNDERWAY

- Mobile vans will convert to the Gloria Jean's brand. First wave of franchisee's committed to transition is underway
- The conversion strengthens FPs through access to a larger brand and shared marketing dollars across physical and mobile network
- RFG provided assistance with the brand transition

## Mobile Brand Conversion (C2U & TCG)



PILOT COMPLETED

- 30 Michel's continue to trade including two company stores (Toronto, NSW and Toowoomba, QLD)
- Gloria Jean's Average Weekly Sales average 43% more than Michel's (over the first 39 weeks of FY24)
- Wynnum cost was partially met by landlord contribution, the conversion of Michel's Toowoomba is being scoped

## GJC Wynnum (Michel's Conversion)

**+59%**  
AWS

**+14%**  
ATV

**+28%**  
CC/wk



PILOT COMMENCED

- 17 Pizza Capers continue to trade
- Crust network sales average 58% more (39 weeks FY24) than Pizza Capers over the same period
- A pilot conversion is underway at Cleveland, QLD commencing as a company store but available for resale

## CGP Cleveland (Pizza Capers Conversion)



# Quick Service Restaurants ('QSR') remains challenged

**\$120m**

DOMESTIC NETWORK SALES  
UP 1.7% ON PCP

**\$114m**

SAME STORE SALES  
DOWN 3.1%

**\$18.8k**

AVERAGE WEEKLY  
SALES DOWN 1.4%

**246**

TRADING OUTLETS  
UP 51 FROM 30 JUNE

**2.7m**

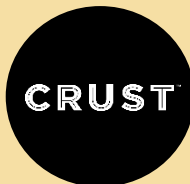
CUSTOMER COUNT  
DOWN 13.3%

**\$44.03**

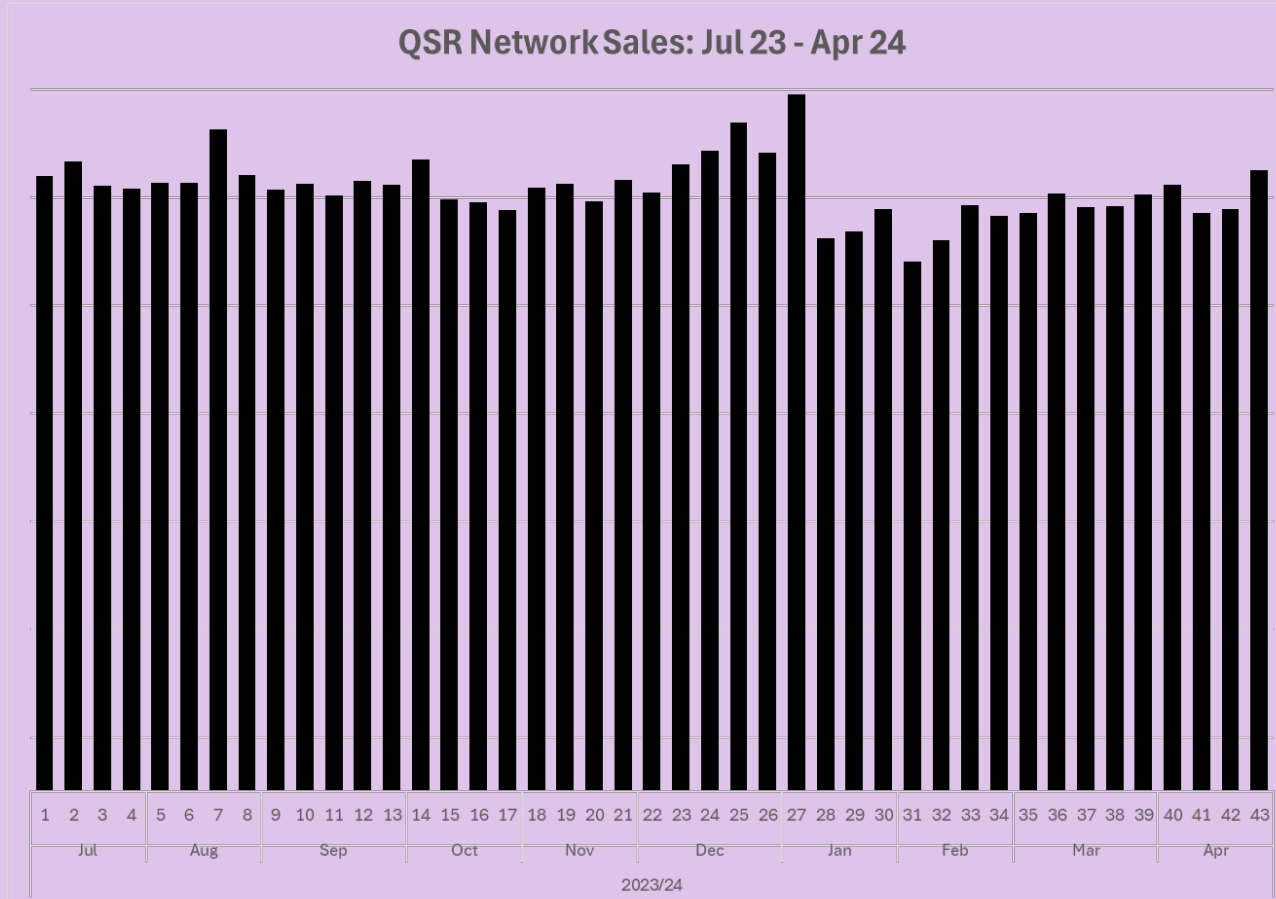
AVERAGE TRANSACTION  
VALUE UP 8.2% ON PCP

(1) SSS for QSR is inclusive of Rack'em Bones BBQ Ribs as this brand operates within an existing Crust outlet

- QSR contributed 29% of group network sales with no vertical integration of product sales into the network
- Competitors continued to use heavy discounting in their price war to chase volume. Crust has lost customer count by not matching discounts but has reduced the impacts to franchisee profitability
- QSR is focused on protecting franchisee profitability through growth in Rack'em Bones and expansion of product range (burnt ends & cheesy crust)
- Rack'em Bones has offset network sales loss and is now available in the majority of Crust locations. The next phase of growth will come from the release of a direct to customer eComm site in 2H24, expanding the product beyond UberEats
- Investment in first two company outlets in multi brand European Garage locations (Gloria Jean's, Crust, Ribs) supplemented by the conversion of a pizza capers franchisee store into a Crust company store



# Quick Service Restaurants ('QSR')



- Customer count impacted by competitor discounting in the lead up to and the period immediately after Christmas and New Year trading
- Same Store Sales down \$8.2 million in pizza brands offset by \$4.5 million of sales through Rack'em Bones
- Stable outlet count in pizza brands (down 5) supplemented by rapid growth in Rack'em Bones outlets (up 56)
- Launch of Crustworthy as we continue to build product differentiation, invest in technology and drive customer acquisition

(1) Network sales based on unaudited reported sales by Franchise Partners and company outlets for FY23 weeks 1-52 and weeks 1 – 43 of FY24  
 (2) Same Store Sales includes Rack 'em Bones ('REB') because brand commenced trading in an existing Crust or Pizza Capers Franchise and provides an incremental benefit to existing Franchise Partners

# FY24 Guidance

We reaffirm our FY24 results are expected to be within our guidance range [announced](#) on 20 February. No change to guidance.

## Revenue from contracts with customers

**\$110m – \$118m**

(FY23: \$101.7m – guidance range is an increase of 8% to 16%)

## Underlying EBITDA

**\$28m - \$32m**

(FY23 \$25.3m – guidance range is an increase of 11% to 26%)

- Same Store Sales growth of 1.6% YTD April despite impacts of weaker macro economic conditions on the retail environment – trends to continue
- QSR has deteriorated since our last update but has been offset by stronger trading in CCB
- Profits from Rack'em Bones continue to be reinvested into marketing to drive growth through 2H24 before generating profits in FY25 alongside launch into direct (non-3PA channel) in the second half
- Corporate store roll out largely complete for FY24 with focus now on outlet standards, revenue growth and improving margins to drive profitability
- We will invest up to \$0.5m in franchisee support to convert our mobile brands (Café2U and The Coffee Guy) to Gloria Jean's
- Beefy's will contribute EBITDA of approx. \$1.0m - \$1.2m in 2H24 inclusive of synergies. YTD April Beefy's has already generated EBITDA of \$1.0m offsetting challenges in QSR
- Further action on dark sites will crystallise further onerous lease provision upside in 2H24
- FY24 cost base normalised with key roles in place alongside a short- & long-term incentive structure aligned with shareholder outcomes





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# BEEFY'S



# BEEFY's performing strongly post acquisition

## Trading in line with acquisition case

**\$6.0m**

DOMESTIC NETWORK  
SALES<sup>(1)</sup> UP 7.0% ON PCP

**\$33.5K**

AVERAGE  
WEEKLY SALES

**382k**

CUSTOMER  
COUNT<sup>(1)</sup>

**\$1.0m**

UNAUDITED EBITDA  
CONTRIBUTION<sup>(1)</sup>

**\$15.81**

AVERAGE TRANSACTION  
VALUE UP 3.6% ON PCP<sup>(2)</sup>

**9**

TRADING  
OUTLETS

(1) All metrics relate to the post acquisition period from 11 December to end April 2024 except as otherwise stated

(2) ATV compared to prior comparative period irrespective that ownership transitioned upon acquisition on 11 December 2023



- Beefy's acquisition completed on 11 December and consolidated from that date. Strong trading post acquisition, including through the post school holiday period in February.
- Beefy's contributed post acquisition unaudited EBITDA of approx. \$1.0m and is tracking in line with our acquisition case expectations
- Early synergies & growth opportunities have been crystalised
  - Beefy's transitioned to our lower cost Coca Cola pricing effective from 1 January
  - Gloria Jean's Wynnum has commenced a trial of Beefy's pies in February 2024, opening new grab and go hot box opportunities. Extension of Gluten Free pie supply under consideration
  - The first new Beefy's outlet to open in Ballina in 2H24 replacing a previously high performing closed Brumby's outlet
  - Supply of coffee through our vertically integrated roasting facility commenced in H2
  - Beefy's transitioned to our point-of-sale system with the new technology unlocking 3PA, loyalty and app opportunities for FY25





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# CORPORATE STORES UPDATE

# Company Stores – Divisional Purpose

1

## NETWORK GROWTH

- Transitioning of FP sites at end of the franchised life cycle
- Flagship & greenfield location opportunities
- New partnership opportunities

2

## BENCHMARKING FOR SUCCESS

- Lead the way in driving operational excellence for our franchised community
- Sharing best practice across all touchpoints of the guest experience

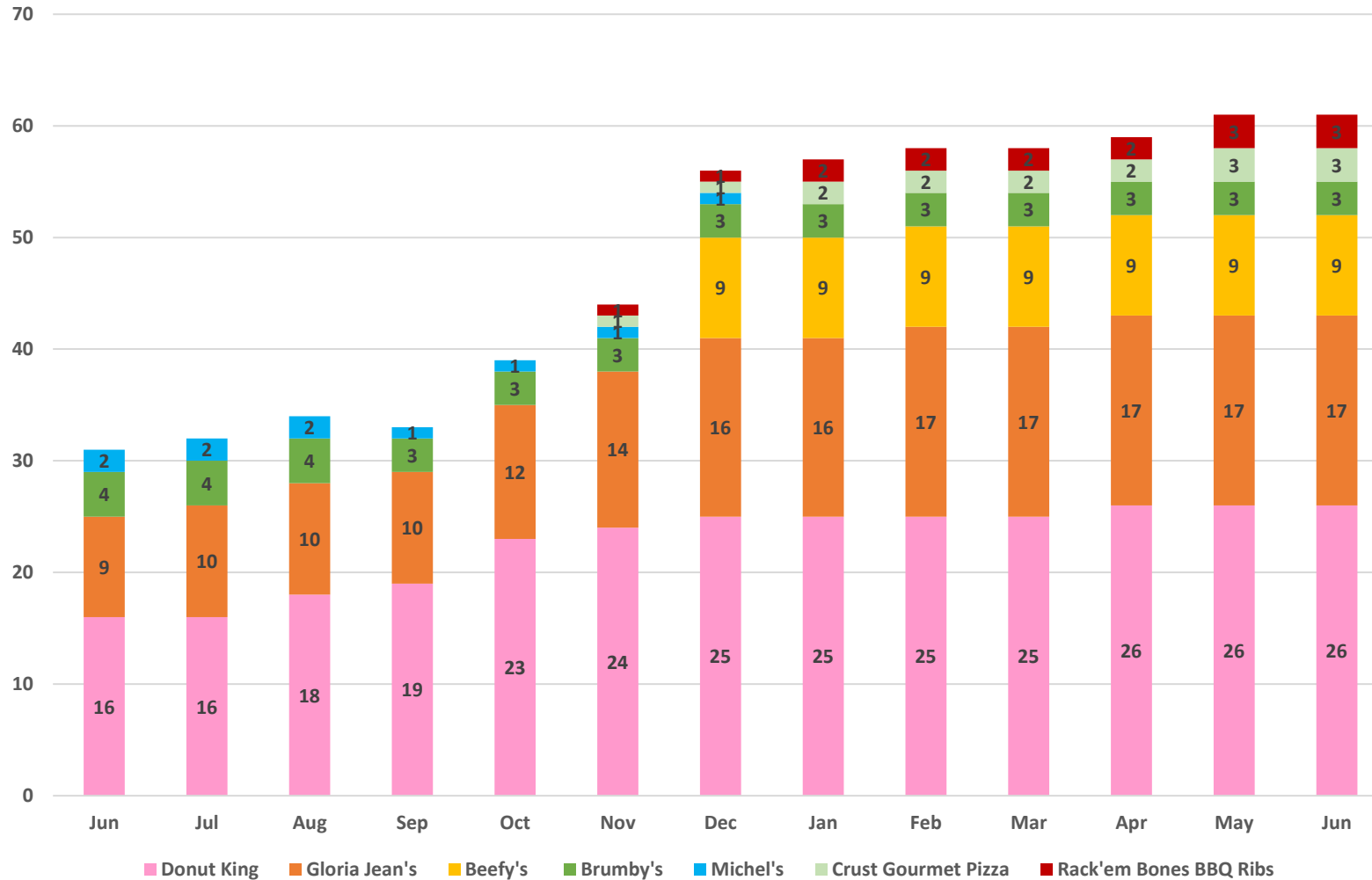
3

## ACCELERATING STRATEGIC PRIORITIES

- Ability to fast track growth opportunities for wider network adoption
  - New site formats
  - New revenue streams
  - Store design & formats
  - Technology
  - Brand conversion strategies
  - Trade marketing initiatives

# Company Stores – Divisional Growth FY24

Company Stores FY24



- Company Store division forecasted to reach 62 locations (+31 on PCP) by 30 June
- +90% of locations operated are Café, Coffee, Bakery brands
- We're deliberately slowing Company Store growth to divert resources to Multi-Site Operator growth in H2.
- Company Stores are focused on improving profitability, refreshing inherited sites and deploying new customer experiences into FY25



# Company Stores – Key Learnings & FY25 Plan

## Challenges

- Pace of new store openings in FY24H1 created short term profitability challenges
- Regional locations challenging to attract & retain retail outlet teams
- Increased competition & salary demands to secure retail team talent
- Rising costs across labour and utilities

## Key Learnings

- Geographical clusters key to build team & operational efficiencies
- Multi-site Store Manager rollout realising cost & talent retention / acquisition benefits
- Core brand consolidation critical for increased performance
- Company Store division assists in accelerating learnings for key business initiatives across network & product development

## Next Steps

- Relentless focus on top line sales growth & guest experience improvements
- Core brand consolidation in line with wider business strategy
- Continued vertical integration of Beefy's products into Gloria Jean's (SEQ)
- Quarterly Store Manager forums to foster collaboration & skillset development
- Assist network outlet growth through new site acquisition strategies, MSO transitioning & growth projects

## SUCCESS PILLARS

1

### INVESTMENT IN OUR PEOPLE

Build a motivated, high performing retail team supported by a best-in-class operations team

2

### GUEST EXPERIENCE

Unlock a consistent and authentic guest experience that delivers relentless topline sales growth and customer acquisition

3

### NETWORK PLANNING

Accelerate network growth through new site acquisition, targeted geographical mapping & piloting business opportunities

# Company Stores – Accelerating Growth

## Traditional locations:

- Divisional role to source & launch new site opportunities where we can move faster than franchisee's
- Opportunity to establish stores before exploring resale opportunities with franchised community



# Company Stores – Accelerating Growth

## Dual Branded locations:

- EG partnership has opened up opportunities for multi-brand sites
- Two dual branded sites (Gloria Jean's & Crust) opened in FY24
- First Gloria Jean's & Donut King dual branded site to open in Canningvale WA



Brendale



Canningvale



# Company Stores – Accelerating Growth

## Brand Consolidation:

- Division key to fast tracking brand consolidation strategy and proving the business case to the franchise community
- Landlord contributions of c. 30% + of refurbishment costs reduces capital required
- Second Michel's Patisserie conversion to Gloria Jean's to open late June 2024 in Toowoomba

Michel's Patisserie to Gloria Jean's  
Wynnum



Michel's Patisserie to Gloria Jean's  
Toowoomba



Pizza Capers to Crust  
Cleveland







INVESTOR UPDATE | MAY 2024

# INTRODUCTION TO JACINTA CAITHNESS

# Introduction to Jacinta Caithness



## Jacinta Caithness RFG Non-Executive Director (Appointed 25 September 2023)

- Non-Executive Director and Business Advisor
- Telstra Young Businesswoman of the Year
- AFR Boss Young Executive of the Year
- Advisory Board Member – hattch  
*April 2023 – current*
- Member of the Board of Advisors - Kieser Australia  
*December 2022 – current*
- Non-Executive Director – Ventura Bus Lines  
*October 2016 – current*
- Non-Executive Director – SILK Laser Clinics  
*April 2022 – November 2023 until sold to API (Wesfarmers)*
- CEO International, Boost Juice (7 years at Boost)





INVESTOR UPDATE | MAY 2024

# OPERATIONS & PATH TO RETAIL EXCELLENCE

# Operational Purpose

## Enhancing Franchise Performance and Customer Experience through Execution of Retail and Brand Standards

### Academy



- Training and Refresher Programs
- Comprehensive Webinar Program
- Ongoing Brand Trainer Support In Academy and Instore

### Transition



- Instore Field Support via a Dedicated Territory Manager
- Brand Trainer Observation Days
- Specialist Assistance (Coffee Training)

### Instore



- Regular Visitation Cycle
- Supported Escalation Process
- Consistent Call Structure (Business Growth, Audit, Execution)



# Amplifying the Franchise Partner Relationship

## Optimal Franchise Partner Touchpoints

Franchise Advisory Committee

General Manager:

- Partner relations

Operations Manager:

- Coaching

Territory Manager:

- Regular visitation

## Acceleration of Value

P&L Submission

Identification of retail opportunities

Store improvement plans

## Enhancing Quality and Compliance

Compliance to systems

Consistent brand and customer experience

Food safety

Brand standards

## Recognition of Strong Performance

Partnership Program with an ambition for Franchise Partner role modelling

Appreciation awards

Path to Retail Excellence program

# Partnership Program

## Partnership Program

Providing information to Franchise Partners to identify growth opportunities

Focus on –

- Customer Experience (mystery shopper, cleanliness, display and merchandising)
- Sales Performance (revenue, campaign execution and loyalty)
- Profit (Business plan and P&L submittal)
- Partner Prerequisites



### Operations Field Team

Supporting you with all your in-store requirements around

- Retail mindsets
- Business mindsets



### Support Office

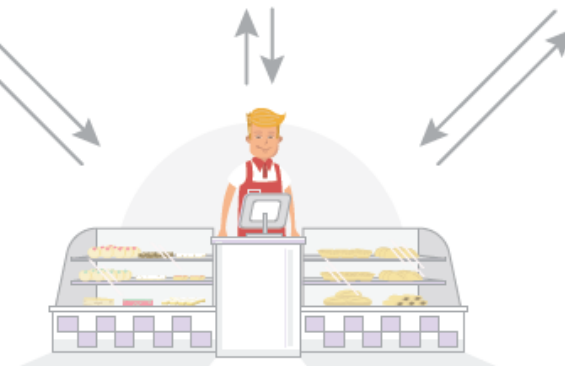
We are here to help you with...

- Marketing
- Supply chain
- Leasing
- Training
- Finance



### General Manager

Easy contact for the Partnering Program and business planning



### Franchise Partner

# Path to Retail Excellence

Setting a Standard of Retail Execution to Enhance the Customer Experience and Store Performance.

Setting Consistent Instore Experiences through Franchise Partner Engagement

Assessed by Regular Field Visitation

Collaboration Between Franchise Partners and Field Team Members to Align On Goals

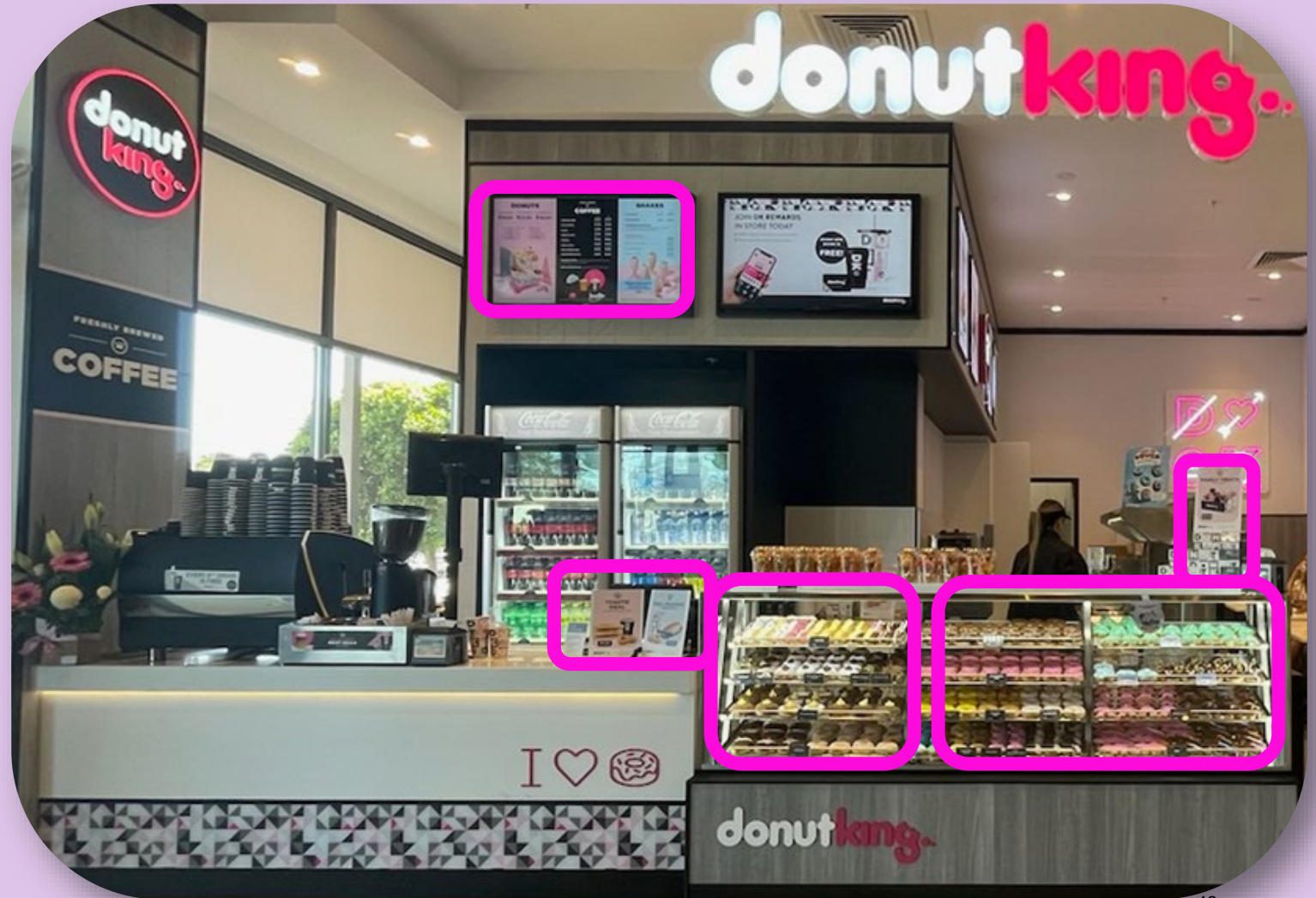
Ambition to Match Store Performance and Profitability to Scores to Demonstrate Improved Financial Outcomes

Observed	Path to Retail Excellence
<input type="checkbox"/>	<b>Front of House</b>
<input type="checkbox"/>	Store displays current menu panels (as per supporting examples)
<input type="checkbox"/>	All illuminated brand signage working as per brand expectation including LED Screens if applicable
<input type="checkbox"/>	Current brand campaigns (Primary or secondary) set up as per campaign launch document (signage and product placement)
<input type="checkbox"/>	Brand Messaging displayed on the counter ( <input type="checkbox"/> Campaign, <input type="checkbox"/> Loyalty, <input type="checkbox"/> Local Area)
<input type="checkbox"/>	Store promoting boxing with the use of a Boxing promo cabinet sticker (as per example photo)
<input type="checkbox"/>	<b>Cabinet</b>
<input type="checkbox"/>	Products in the cabinet displayed with current design, legislation correct ticketing that identifies KJs, price and product name
<input type="checkbox"/>	Store displaying all products that are part of the cabinet planogram
<input type="checkbox"/>	Products merchandised correctly as per planogram
<input type="checkbox"/>	Based on your time of visit, (Morning, Midday, Afternoon) is the store carrying an acceptable stock weight
<input type="checkbox"/>	○Morning: (up until 11am) All trays with full front facings, minimum of 3 deep. (Eclairs and boats 2 deep)
<input type="checkbox"/>	○Midday: (11am-2:30pm) All trays with full front facings, minimum of 2 deep. (Eclairs and boats 1 deep)
<input type="checkbox"/>	○Afternoon: (2:30pm onwards) 50% of trays with full front facings
<input type="checkbox"/>	Cabinet lines priced at recommended retail price
<input type="checkbox"/>	<b>Customer Service</b>
<input type="checkbox"/>	Team members asking each and every customer if they are a loyalty member
<input type="checkbox"/>	Team members asking for an add-on or upsell with every customer
<input type="checkbox"/>	<b>Set up for Success</b>
<input type="checkbox"/>	Production sheets used every day in-store
<input type="checkbox"/>	Wastage being tracked at the end of each day
<input type="checkbox"/>	Cheat sheets available at each product station for staff
<input type="checkbox"/>	Store currently active on any of the available 3PA channels to maximise sales opportunities

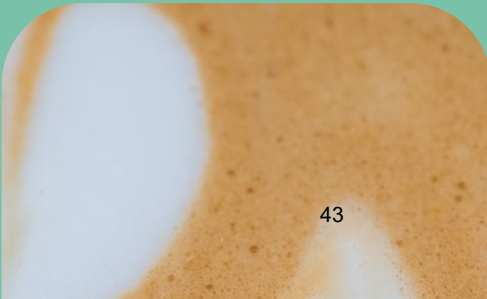
# Path to Retail Excellence

Designed to identify key retail areas of opportunity

- 1 Identification of decompression and hot zones
- 2 Clear and Well Positioned Point of Sale Material
- 3 Value Messaging and Pricing
- 4 Campaign Execution
- 5 Planogram adherence and cabinet stock weight







INVESTOR UPDATE | MAY 2024

# MULTI-SITE OPERATORS

# Accelerate growth opportunities in core brands under Success. Made. Simple.

Multi-site operator focus and support program underway with first franchisee's locked in

## Current

Multi-site operators ('MSO') continue to deliver superior network results

### 77 MSOs

averaging 2.7 outlets each

### 28%

of total outlets

### 36%

of total revenue

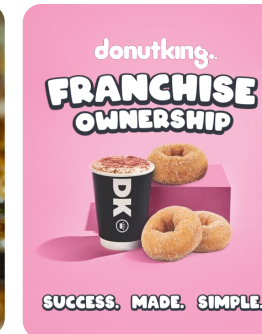
### +8%

AWS performance vs network

## Future

High potential MSO forum completed in March. Launched an incentive program designed to unlock joint business plans that;

- **Incentivises our best operators to grow their outlet portfolio with RFG**
- **Provides a benchmark of partnership and operational standards, and**
- **Fosters a culture of innovation with benefits applied across the entire network**



## 1 to 2 Program to be developed

- Target single operators who have the ability be the next wave of MSO's
- FP profiling partners to assist in building target list

## Store Manager to FP Program to be developed

- Target existing store managers who have potential and desire to become Franchise Partners
- Build profile of ideal FP by brand
- Key requirements to be defined based on learnings from Brumby's MTO program

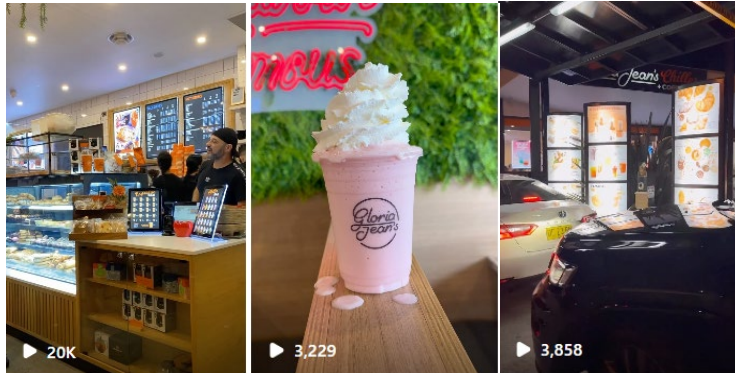


# Multi Site Operator – Nobal Masri

- Multi-site operator with two Drive Thru Gloria Jean's outlets in NSW:
  - Hoxton Park
  - Oran Park (opened in February 2024)
- Piloted innovation with Acai, selling nearly 100,000 units this financial year
- Oran Park opened in February at a European Garages site and is already multiples of the brand average
- Strong social media content for effective local area marketing complementing national marketing

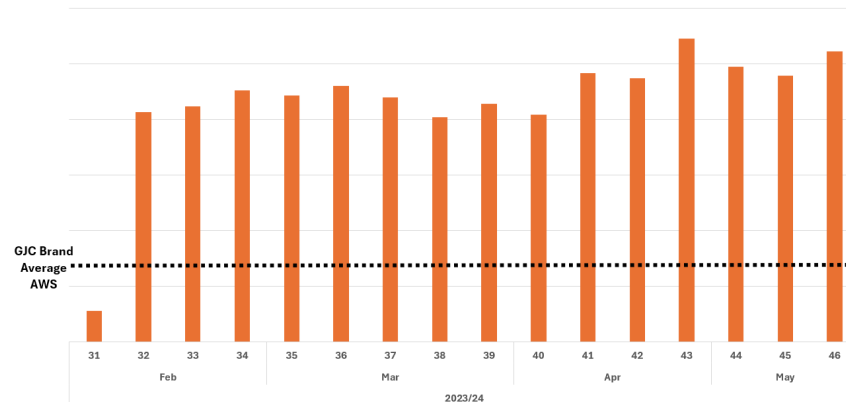


@gloriaJeansdrivethru



Click images for reels...

Oran Park AWS vs. GJC Network





INVESTOR UPDATE | MAY 2024

# MARKETING



# Market Overview | Global Mega Trends Implications

1

Brands must offer products which **promote health and wellness**. Consumers are proactive with various areas of health and well-being. There is a focus on **natural, back-to-basics nutrition**. Many consumers recognise how **health and sustainability are interlinked**. Brands should **position products as healthy and ethical, without compromising on taste**.

2

As the cost-of-living crisis continues, consumers are looking for products with the **best value for money**. Brands must be aware that **consumers are not seeking the lowest cost**. Instead, **they are looking for maximum efficacy, quality, and convenience**. As a result, multifunctional claims on products will be of high appeal during the next twelve months.

3

**Offer personalized, tailored, and customized products**. With the magnification of health and the rapid evolution of technology, there is an opportunity for brands to cater to consumers' individual nutritional needs and preferences. Opportunities exist to target specific health goals based on genetics, **dietary restrictions, allergies**, and more.

4

**Prioritize at-home occasions and happiness. Fostering social connections with family, friends, and local communities** will be key over the next twelve months. Consumers are striving for happiness and deem social interaction highly valuable. This trend is leading to **increased at-home occasions, in which consumers are seeking more premium foods and beverages to eat in the home**.









5

Inclusivity and storytelling are valuable. Brands should use their digital platforms and advertising to promote open conversations and help break stigmas. **Offer storytelling, marketing strategies, and develop products that embrace diversity and offer a sense of belonging and connection**.

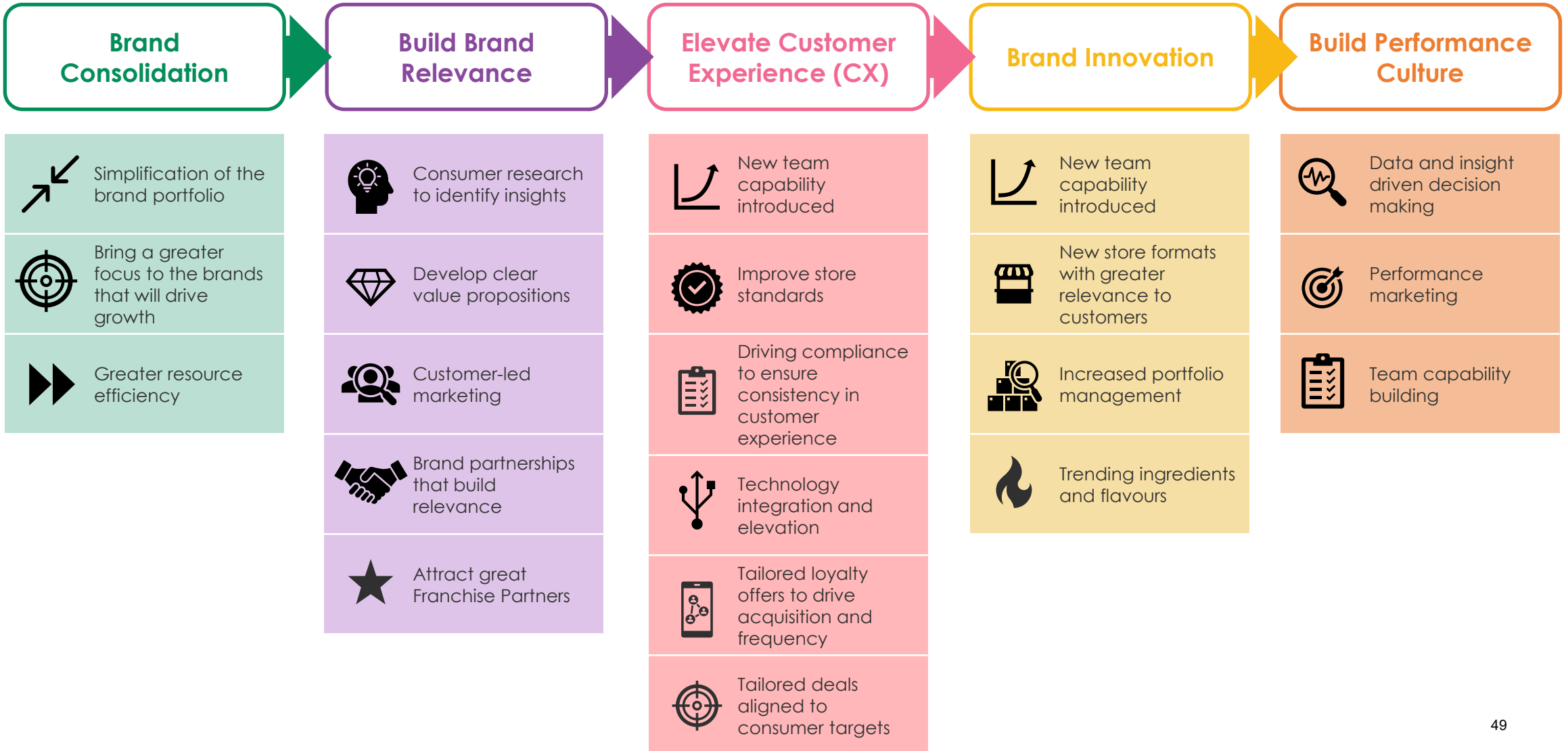
# Global Market Overview Summary

## – Growth Drivers

The ongoing rise in the number of delivery options, higher demand for healthier options and busier lifestyles are some of the key growth drivers for the industry.

	Growth Driver	Key Trends	# of Outlets	Transaction /Outlet	Value/ Transaction
Supply Side	 <b>Rise in number of delivery options</b>	<ul style="list-style-type: none"> <li>An increasing number of restaurants are starting home delivery options from their own website or food aggregator apps</li> <li>Cloud kitchens are opening with sole service offering of home delivery</li> </ul>	↑	↓	↔
	 <b>More customer touchpoints</b>	<ul style="list-style-type: none"> <li>Restaurants are launching their own websites, apps, and getting listed on various food deliver apps to increase awareness and visibility</li> </ul>	↔	↑	↔
	 <b>Availability in supermarkets</b>	<ul style="list-style-type: none"> <li>Supermarkets have expanded their assortment range of fast-food options, including options like ready-made salads, sandwiches, wings and sushi.</li> </ul>	↑	↑	↔
	 <b>Improvements in tech/automation</b>	<ul style="list-style-type: none"> <li>Technologies such as wireless portable devices, digital menu cards, kiosks, point-of-sale, and signage systems have significantly reduced the time to serve a customer, improving customer experience and acquisition.</li> </ul>	↔	↑	↔
Demand Side	 <b>High demand of healthier options</b>	<ul style="list-style-type: none"> <li>Evolution of food menus to include more vegan, plant-based, less sugar/salt based, organically made and sourced, locally sourced healthier options</li> <li>Customers globally are becoming more wary of the food that they consume</li> </ul>	↔	↔	↑
	 <b>Going to office more frequently</b>	<ul style="list-style-type: none"> <li>People are heading out to work a higher number of times in a week, resulting in a higher frequency of eating out</li> </ul>	↔	↑	↔
	 <b>Proclivity to broaden palette</b>	<ul style="list-style-type: none"> <li>There is a growing interest to try newer cuisines and restaurants, which some people only come across due to social media</li> </ul>	↔	↑	↑
	 <b>Busier lifestyles</b>	<ul style="list-style-type: none"> <li>As more family members work for longer hours in a day, there are fewer hands available to cook food at home, resulting in more takeout occasions</li> </ul>	↔	↑	↔

# High-level Brand and Marketing Priorities



# Big Brand Plays: what we're doing differently



## BUILDING BRAND RELEVANCE

- Refreshing core brands to build greater customer relevance and experience.
- Extend store format options to increase retail opportunities.
- Pursuing locations outside of shopping centres to reach an extended / new customer base.

## CONSUMER INSIGHTS

Research

Consumer Trends

Data

## CORE BRANDS REFRESH

CCB

QSR



## PORTFOLIO REINVIGORATION

Portfolio review

Range Rationalization & Optimisation

Data & Insights

Launch

Consumer Testing

## NEW STORE FORMATS & CUSTOMER SEGMENTS

1

### NEW FORMATS

Extending brands into new customer segments and offers

2

### NEW LOCATIONS

Sourcing hotspot locations outside of shopping centres

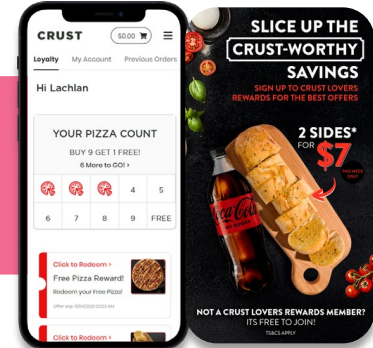
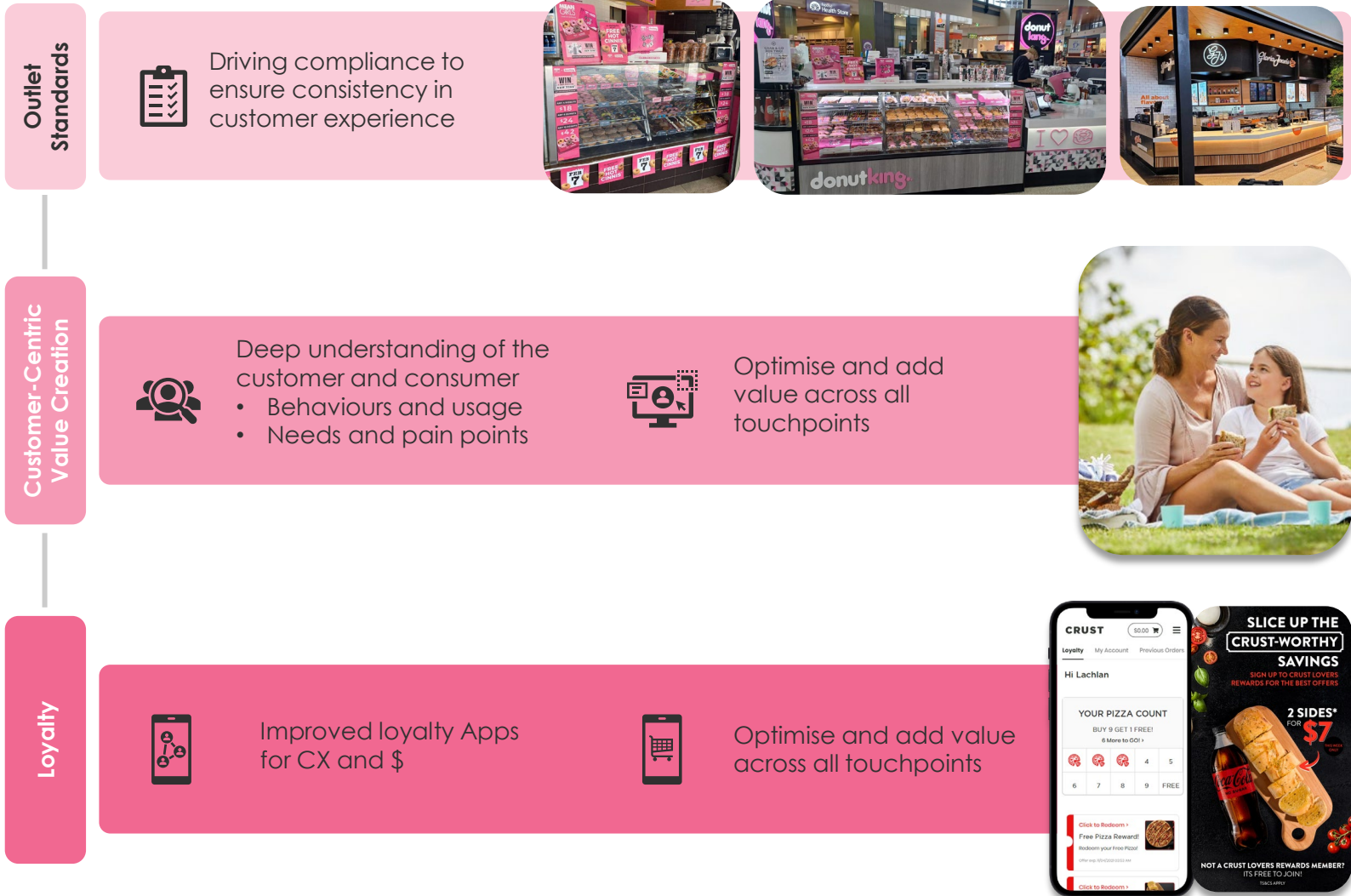


# Big Brand Plays: what we're doing differently

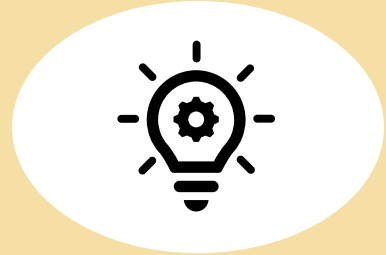


## ELEVATING CUSTOMER EXPERIENCE (CX)

- Senior CX leader currently onboarding.
- The focus will be on elevating and optimizing CX across all customer touchpoints, particularly through the use of technology.
- Greater utilisation of our data for competitive advantage.



# Big Brand Plays: what we're doing differently



## RESETTING INNOVATION

- Senior Innovation leader currently onboarding.
- Will set up an end-to-end innovation process via stage and gate.
- Innovation will be driven from brand strategy, consumer insights and customer-validated.



01

### OBSERVE CUSTOMER PROBLEMS & TRENDS

A new framework for identifying the right opportunities  
Consolidate the portfolio



02

### DEVELOPING PROFITABLE SOLUTIONS

A stronger focus on commercial outcomes  
Franchise Partner and Retail Food Group



03

### CONCEPT VALIDATION

Rapid-fire consumer testing for product concepts  
Full sensory on major initiatives



04

### PRIORITISE AND LAUNCH THE BIG WINS

Integrated planning process across stakeholder groups  
Greater focus on store execution and customer experience

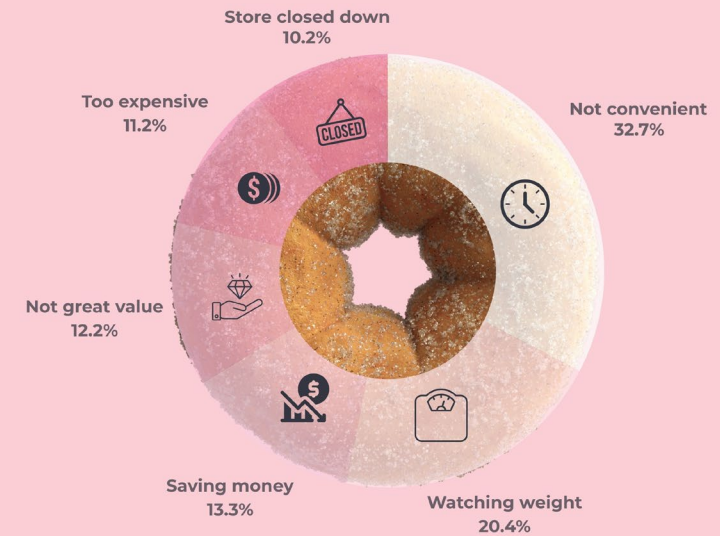
# Extending Donut King into new occasions

Reaching new customer segments

## SPOTLIGHT ON CONSUMERS



## WHY AREN'T THEY SHOPPING WITH US?



# Extending Donut King into new occasions

Reaching new customer segments

**THE OPPORTUNITY:**

**MAKE DONUT KING MORE  
ACCESSIBLE FOR EVERY OCCASION**





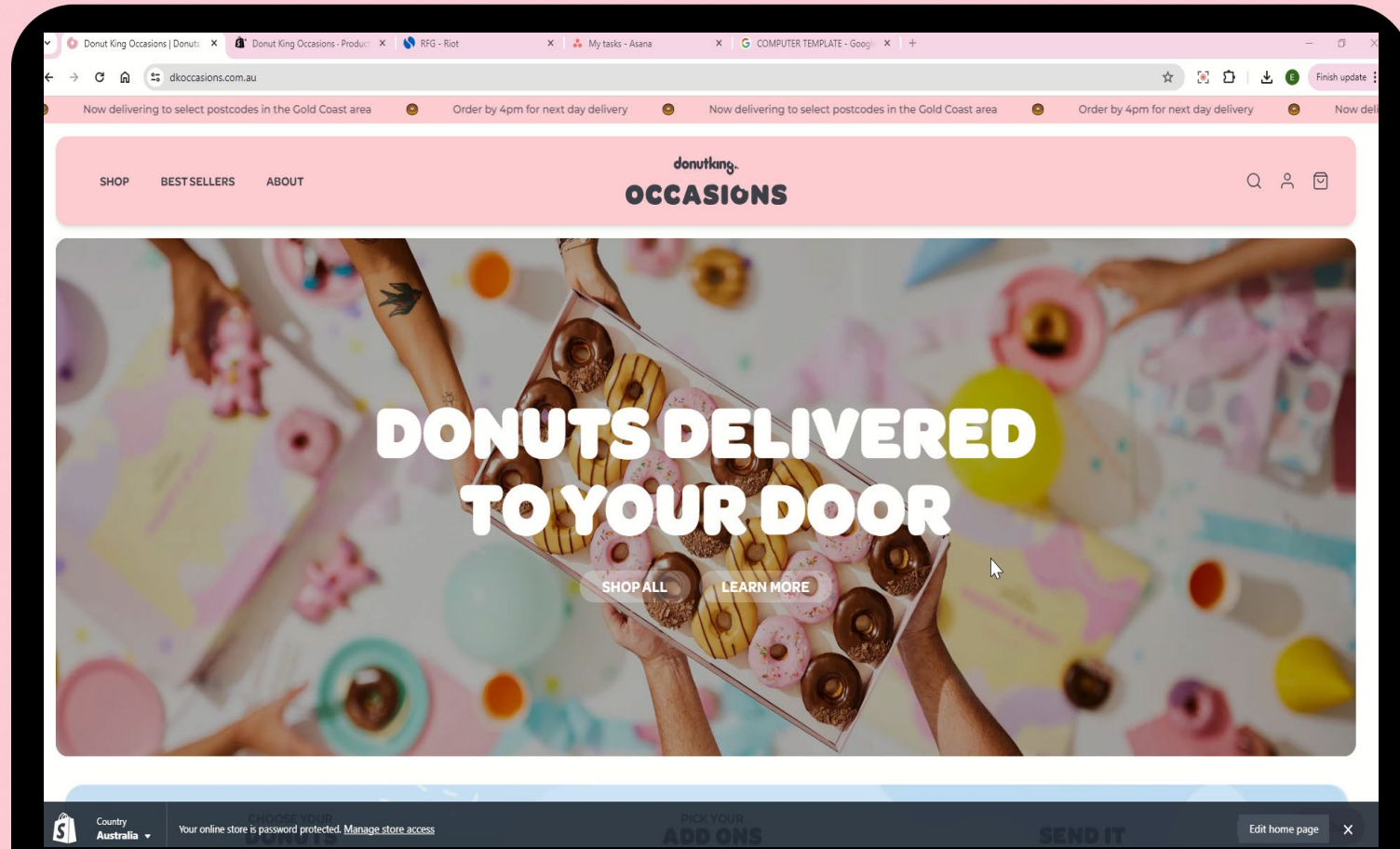
**donutking..**

**OCCASIONS**

DONUTS DELIVERED

# STEP ONE

## CHOOSE YOUR DONUT BOX



# STEP TWO

## MAKE YOUR BOX EVEN MORE A-GLAZE-ING!



**SPECIAL  
SLEEVES**



**BALLOONS**



**EDIBLE  
MESSAGES**



**EDIBLE  
INK PENS**



# STEP THREE DONUTS DELIVERED!





**FOR ANY OCCASION BIG OR SMALL**

**BESTIE  
GHOSTED?**

**SEND SUPPORT WITH  
DONUTS DELIVERED**

Order at [dkoccasions.com.au](https://dkoccasions.com.au)

donutking-  
**OCCASIONS**  
DONUTS DELIVERED

# Donut King Occasions

## Summary of the opportunity

- Donut King Occasions enables our Franchise Partners to meet the customer outside of the traditional shopping mall location
- Donut King Occasions will be distributed to customers using our nationwide network of over 200 stores as mini factories
- We've created an incremental revenue stream for our Franchise Partners, with no additional rent and minimal incremental labour
- Our website uses an algorithm to consider distance, store capacity, and available products to minimize delivery costs
- RFG is responsible for website, customer service and delivery management via third party partners for which we earn an ecommerce fee alongside FSF and ML
- Consumer pricing is competitive, staying true to our mainstream brand proposition as we don't need an expensive new factory or separate labour shifts





**BEEFY'S**  
FAMOUS AUSSIE PIES

*Brumby's*  
BAKERY

**donutking.**

**Q&A**

*Gloria  
Jean's*

*Rack'em*  
**BONES**  
BBQ RIBS

**CRUST™**

# GLOSSARY

3PA	Third party aggregator	GJDT	Gloria Jean's Drive Thru
Four Wall EBITDA	In relation to company stores, EBITDA excluding overhead costs of the corporate management time, inclusive of marketing levies payable to marketing funds	Mobile	Mobile Van
ATV	Average Transaction Value	MSO	Multi-Site Operator
AWS	Average Weekly Sales	NPAT	Net Profit After Tax
CCB	Café, Coffee, Bakery Segment	PCP	Prior Comparative Period
CC	Customer Count	POS	Point of Sale
COGS	Cost of Goods Sold	QSR	Quick Service Restaurants Segment
EBITDA	Earnings Before Interest, Tax, Depreciation & Amortisation	SSS	Same Store Sales
EPS	Earnings per Share	YOY	Year on Year
FP	Franchise Partner	Underlying Revenue	Underlying Revenue is a non-IFRS measure not subject to audit. Underlying Revenue excludes restricted domestic marketing fund revenues and USA operations
FSF	Franchise Service Fees	Underlying EBITDA	Underlying EBITDA is a non-IFRS measure not subject to audit. Underlying EBITDA excludes non-recurring, non-core costs of legacy legal matters, restructuring and non-cash impairments and is inclusive of AASB15 and AASB16