

A person wearing a red and blue plaid shirt and dark jeans is walking away from the camera down a path in a vineyard. They are carrying a young child on their shoulders. The child is wearing a yellow long-sleeved shirt and has their hair in two small pigtails. The vineyard rows are filled with green grapevines, some with small clusters of grapes. In the background, there is a line of trees and a vast, flat landscape under a clear blue sky.

For a better future

TOP AGM Presentation
21 November 2018

**Murray
River
Organics**

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A landscape photograph showing a vast, plowed field under a dramatic sky. The foreground is dominated by a large, curved ridge of dark brown, freshly plowed soil, showing deep furrows. To the right of this ridge, a strip of vibrant green grass is visible. In the background, a dark, silhouetted line of trees or hills stretches across the horizon. The sky is a deep blue, filled with numerous white, fluffy clouds of varying sizes. The overall mood is serene yet powerful, with strong contrasts between the dark earth and the bright sky.

Company Overview

COMPANY OVERVIEW

Grower, processor & distributor of organic dried vine fruit & 'better-for-you' products

\$68.5M

Revenue



13

farms in the Sunraysia
region



71%

retail sales⁽¹⁾



4,935

hectares of land⁽²⁾



22%

dried vine fruit sales⁽¹⁾



67%

land vacant and plantable



\$35M

Value of owned farms⁽³⁾



2,606T

Dried vine fruit
FY18 harvest

1. FY18
2. Includes 1,085 hectares of leased land; includes 3,844 hectares of arable land
3. Farms includes land, bearer plants, buildings and improvements, including those farms held for sale

NEW TEAM EXPERIENCED IN FARMING, OPERATIONS & FMCG

New management team formed, supported by an experienced Board

Board



Valentina Tripp
MD & CEO

- Accomplished executive with a track record of success in turnarounds and growing businesses in FMCG, agri and retail across Asia and global markets
- Executive Director, Top Cut Group - led turnaround of the business in Australia, China, Japan & Korea
- Executive Director, Simplot - Transformation / Corp Development
- Senior Director and sector leader for KPMG's Retail, Consumer & Industrial management consulting business
- Non-Exec Director at Capilano Honey
- Chairman Fairtrade Australia & NZ
- Board Director of Fairtrade International, Germany



Andrew Monk
Non-Executive
Director & Chairman
of the Board

- Chairman of Australian Organic Ltd
- Adj. Asst. Professor at UNE Armidale School of Law



Keith Mentiplay
Non-Executive
Director

- Past positions at Murray Goulburn, National Foods / Lion, Nestle



Michael Porter
Executive Director

- Non-Executive Director of Angel Seafood Holdings Ltd
- Board Member of the Wimmera Catchment Management Authority

Key management



Albert Zago
CFO

- CA with 30+ years experience in finance and business management
- Pental Ltd
 - Mitre 10 Australia
 - GUD Holdings Ltd
 - PwC



Peter Wolff
Head of Strategy, Planning
& Transformation

- 20+ years experience in turnaround & management
- Simplot Australia
 - Asciano
 - KPMG



Peter York
General Manager
Dandenong Operations

- 30+ years experience in food production, agriculture & operational turnarounds
- Simplot Australia
 - Beak & Johnson
 - Kailis & France



Wayne Turner
General Manager
Sunraysia Operations

- 25+ years experience in horticulture, food manufacturing, FMCG
- Aus. Pomegranate Growers
 - Select Harvests
 - George Weston Foods



Patrick Roseman
Head of Sales

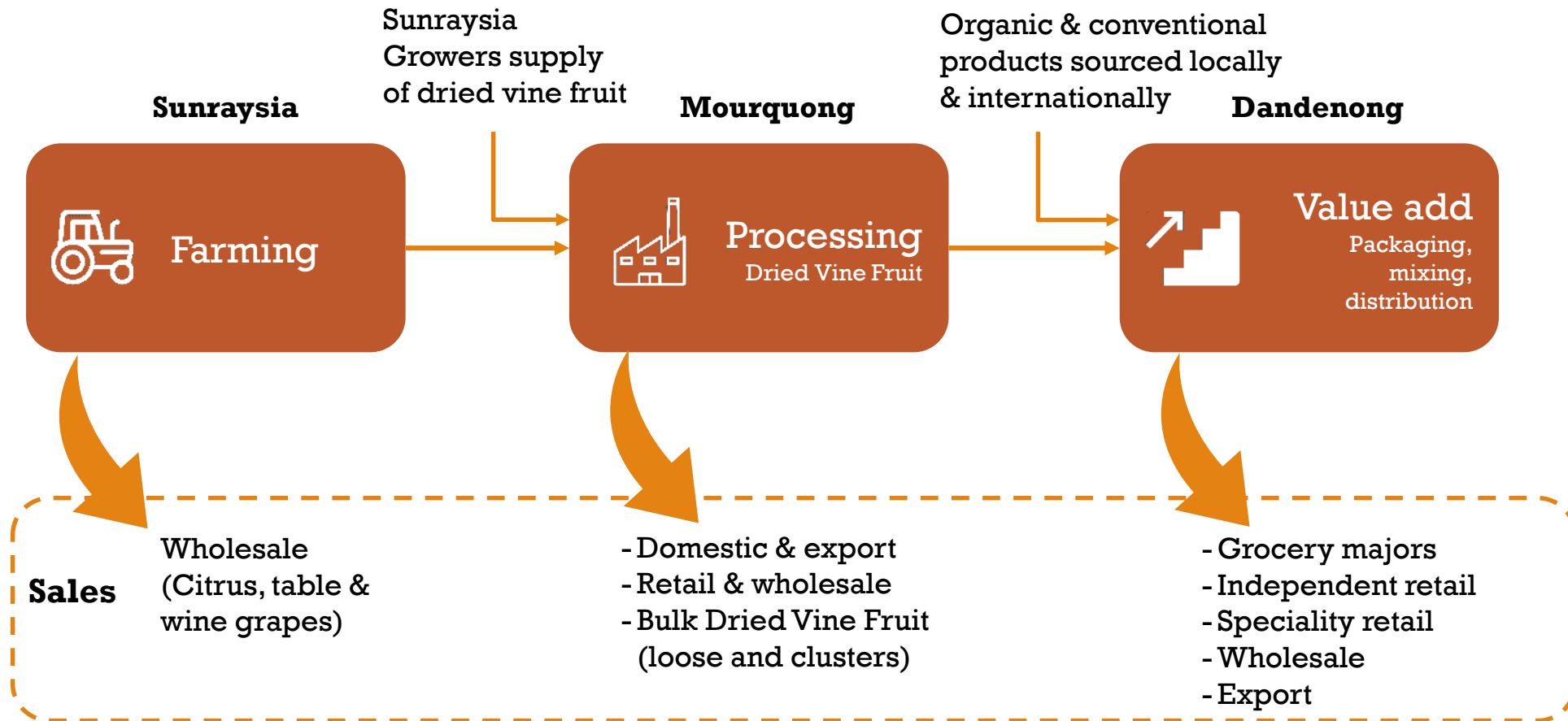
- 25+ years experience in senior sales and marketing positions
- SPC
 - Pureharvest
 - Sabrands
 - Kraft



Rania Haidar
Head of People and
Culture

- 20+ years experience in talent management & attraction, people capability development, cultural enhancement, and operational execution

Leveraging supply to grow a value added products business



Building core organic DVF supply & broader high growth organic category ranging

Farmed

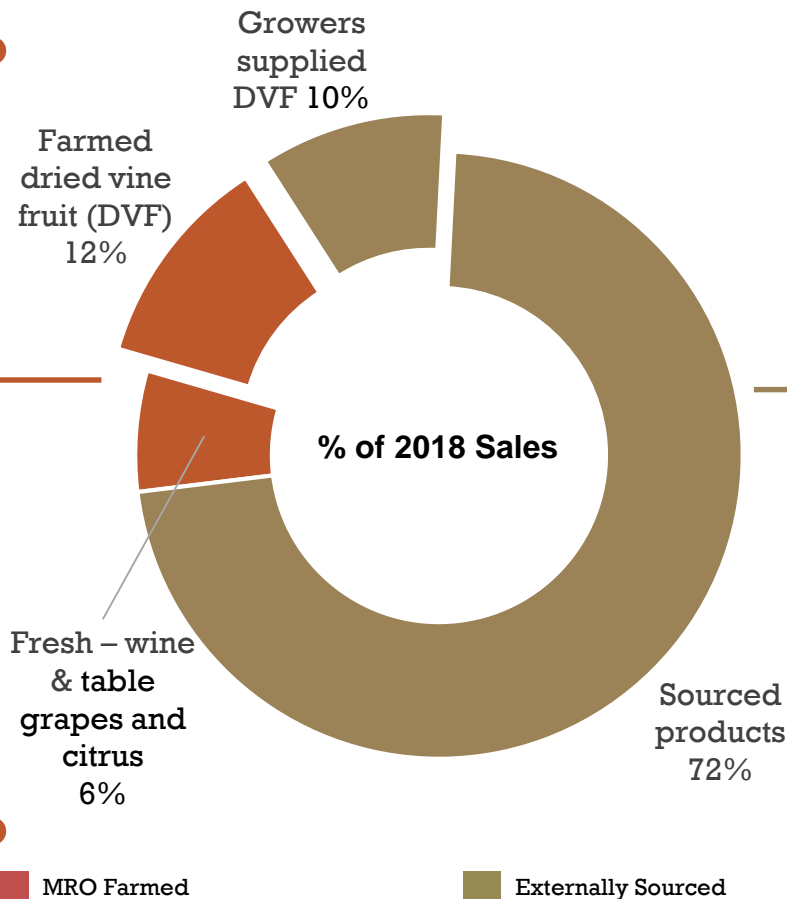


Dried vine fruit

- Raisins
- Sultanas
- Currants

Fresh produce

- Citrus
- Wine and table grapes



Strategic Sourcing



Dried vine fruit

- Raisins
- Sultanas
- Currants

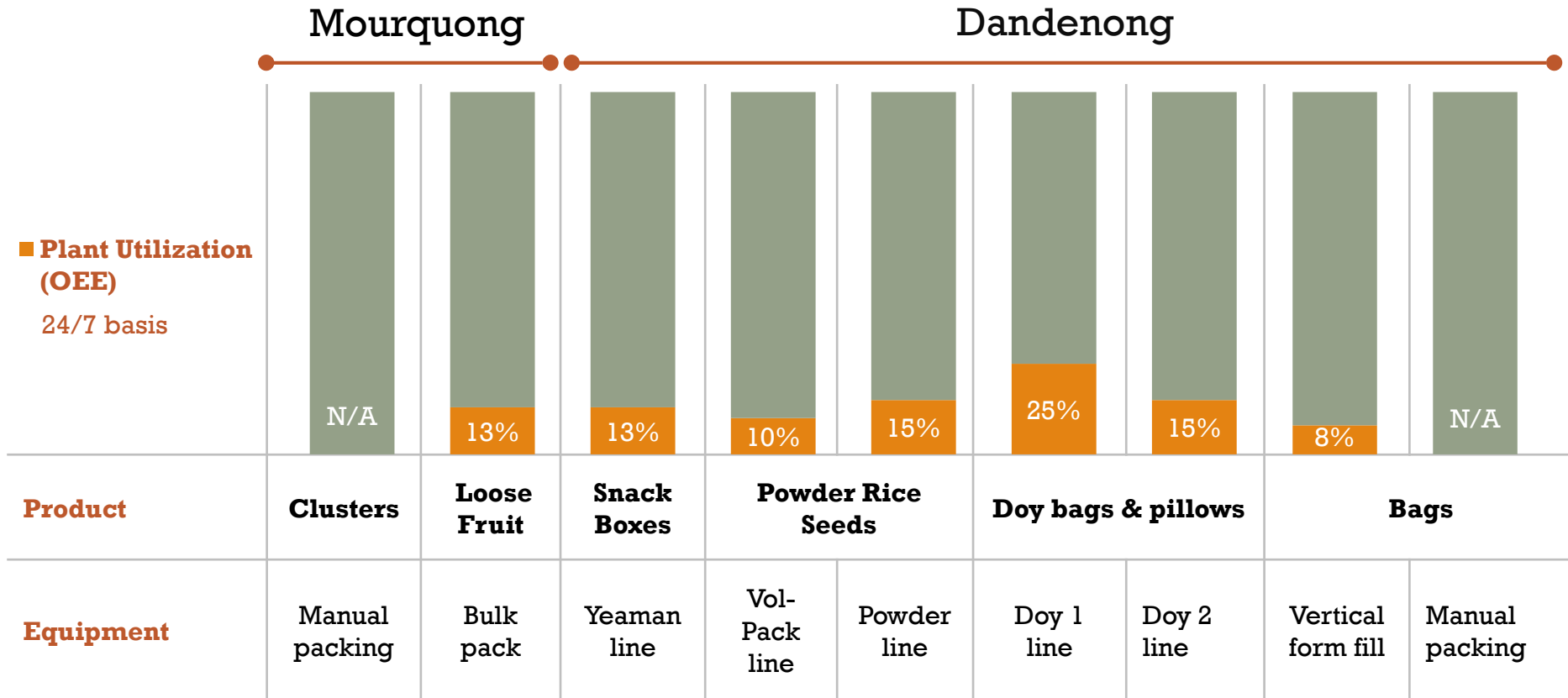
Key categories

- Nuts
- Dried fruit
- Coconut
- Seeds
- Flour
- Grains
- Rice
- Oil
- Dried berries



MANUFACTURING FACILITY UTILISATION

Excess capacity presents a growth opportunity



Facilities have extensive certification, including:

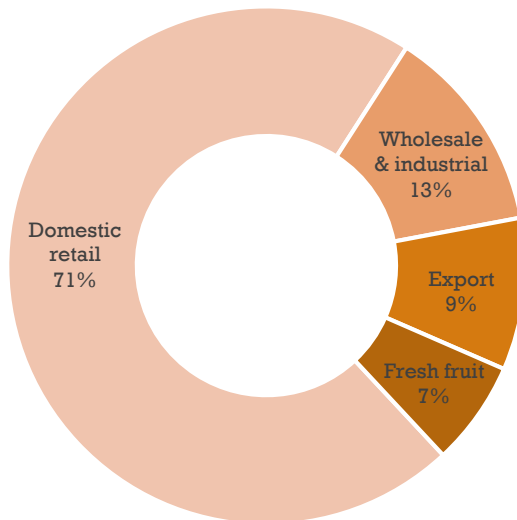


Estimate as at May 2018

CUSTOMER AND EXPORT GROWTH

Broad customer base in Australia with strong focus on growing exports

2018 Revenue



Existing export destinations¹

Asia Pacific

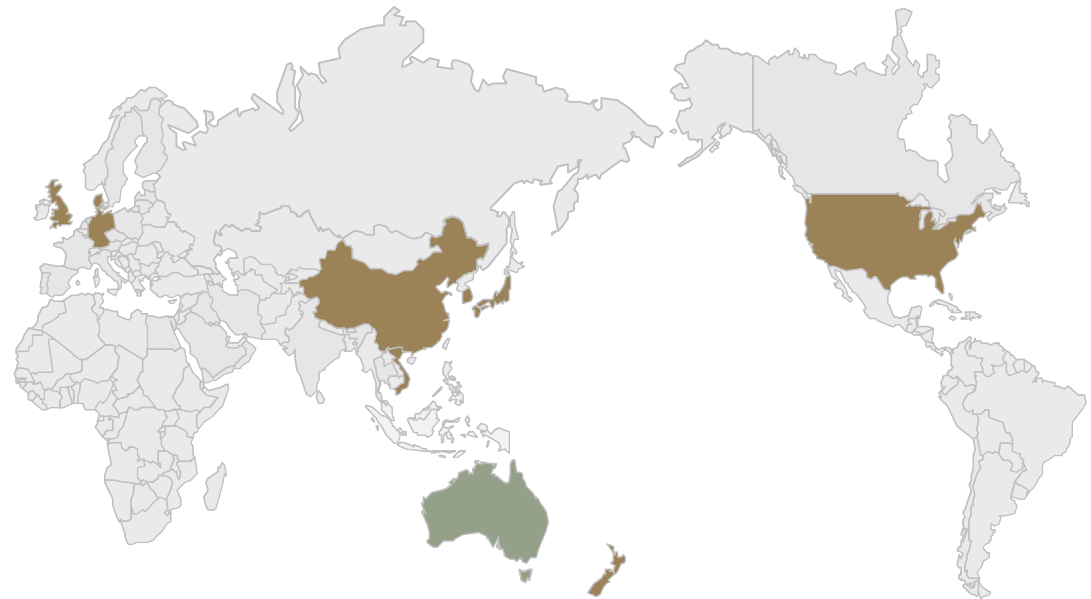
- China
- Vietnam
- Hong Kong
- Singapore
- Japan
- South Korea
- New Zealand

North America

- United States

EMEA

- Germany
- Denmark
- Netherlands
- UK



¹ Represents international markets to which MRO currently exports.

LEVERAGING BRANDS AND NEW PRODUCT DEVELOPMENT

100+ core product lines across the bulk and retail channels


MRO Brand Portfolio (Bulk):

Certified organic food products and ingredients	Murray River Organics™	
Conventional food products and processed ingredients	MRO	
Certified organic and conventional dried vine clusters	Premium Australian Clusters™	 4kg carton
Fresh	<ul style="list-style-type: none"> Citrus Wine and table grapes 	

MRO Brand* Portfolio (Retail):

Dried vine fruit packed in re-sealable snack bags	Gobble	
Premium dry fruit mix for snacking	Snack'd	
Certified organic and conventional clusters packed for retail	Premium Australian Clusters™	 120g Doy bags
Certified organic wholefoods	PACIFIC ORGANICS	

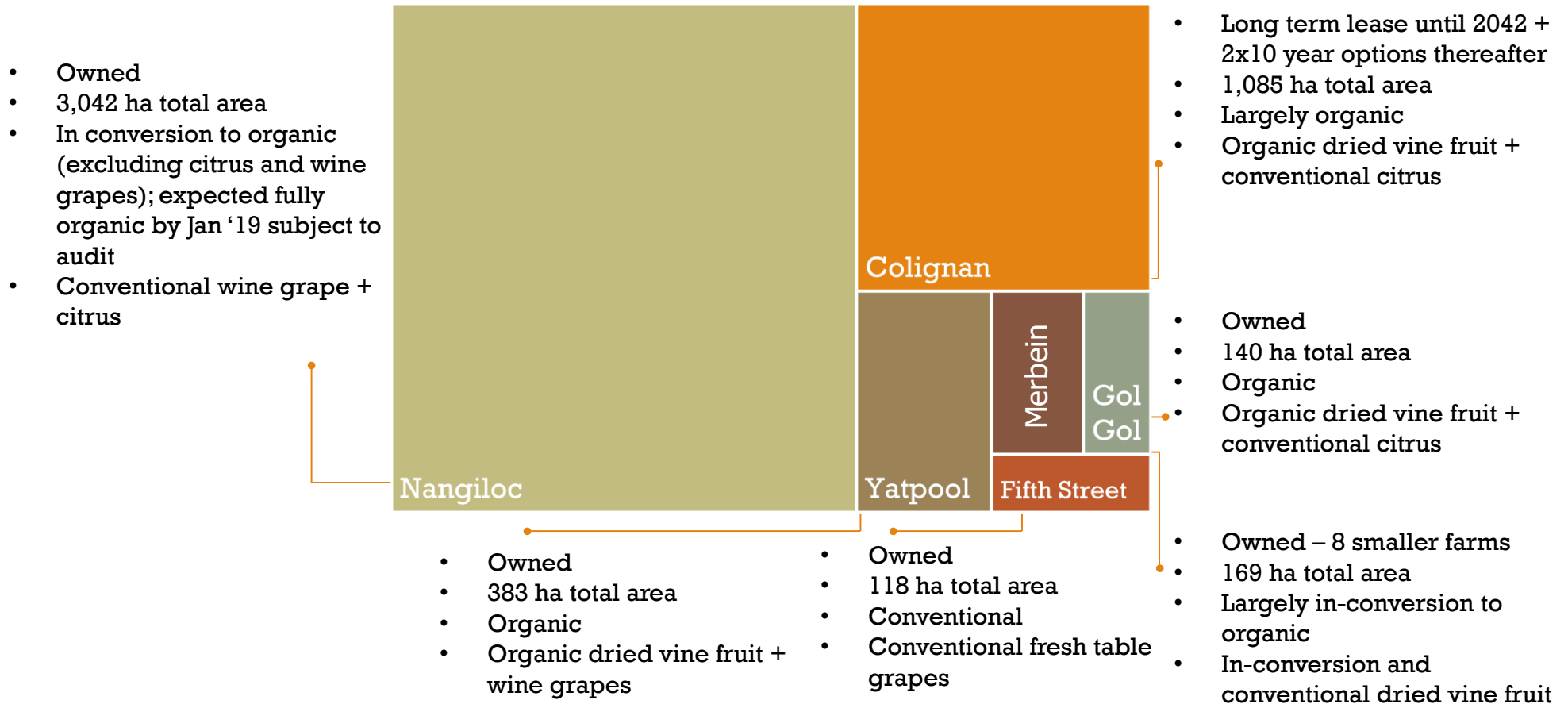
* Brand refresh underway for launch in 2019



Farming Operations

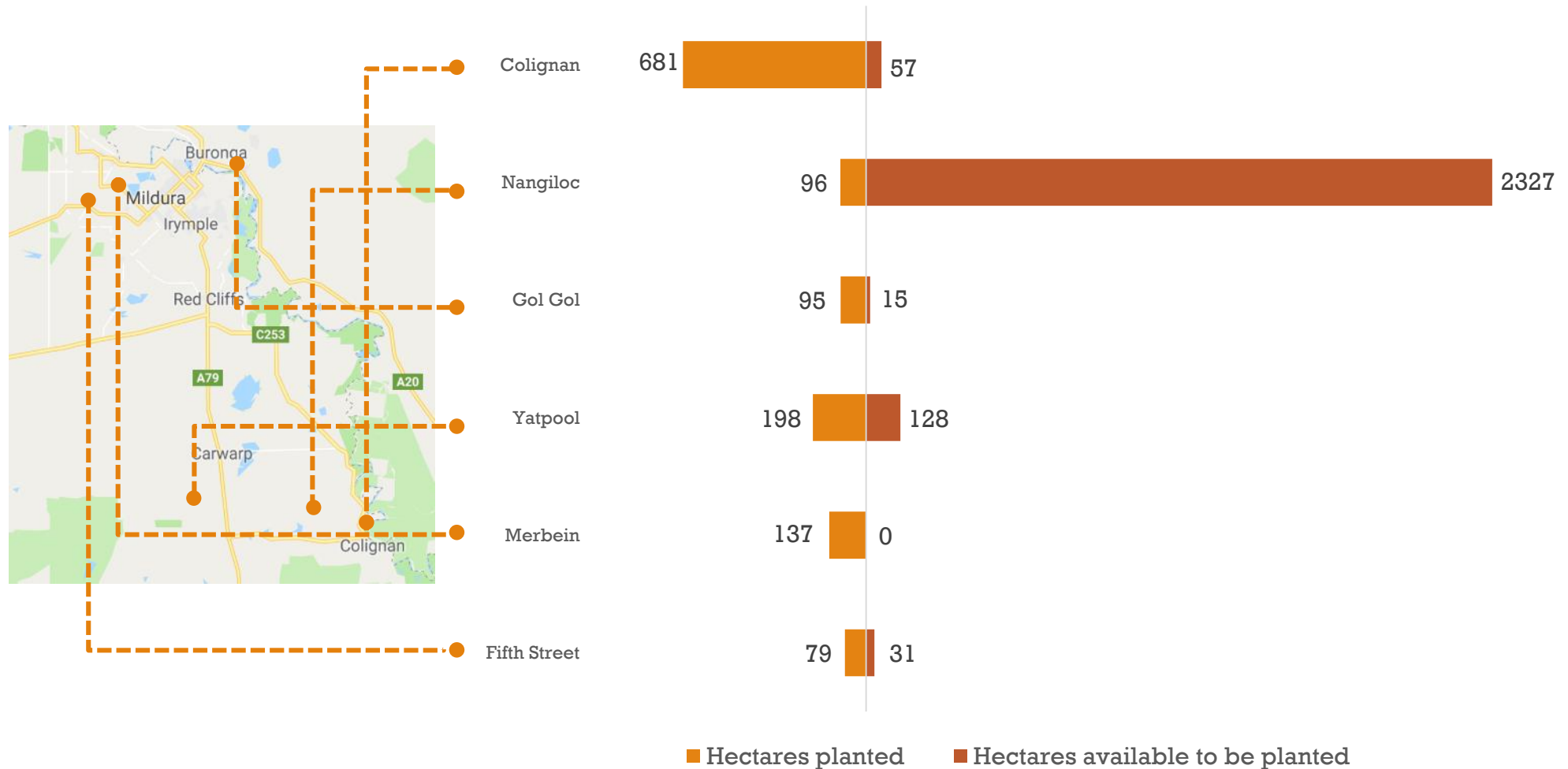
FARMING OPERATIONS

Over \$57M invested in farming properties (owned and leased)



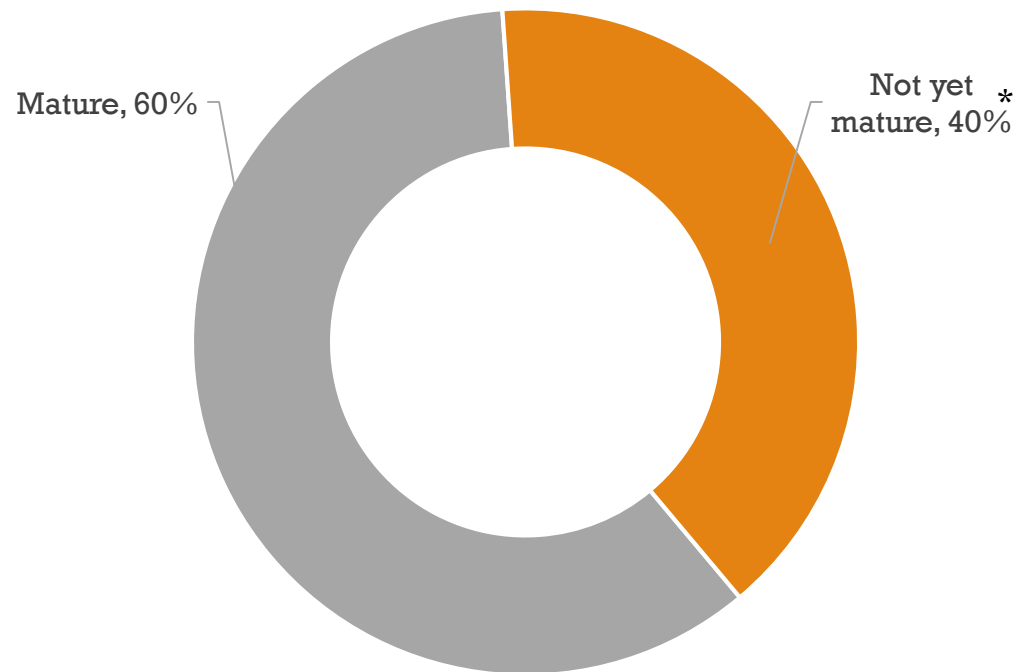
FUTURE OPPORTUNITIES

MRO's farming assets have significant capacity



As vines are developed and mature they are expected to deliver higher yield

Current maturity of dried vine fruit plantings

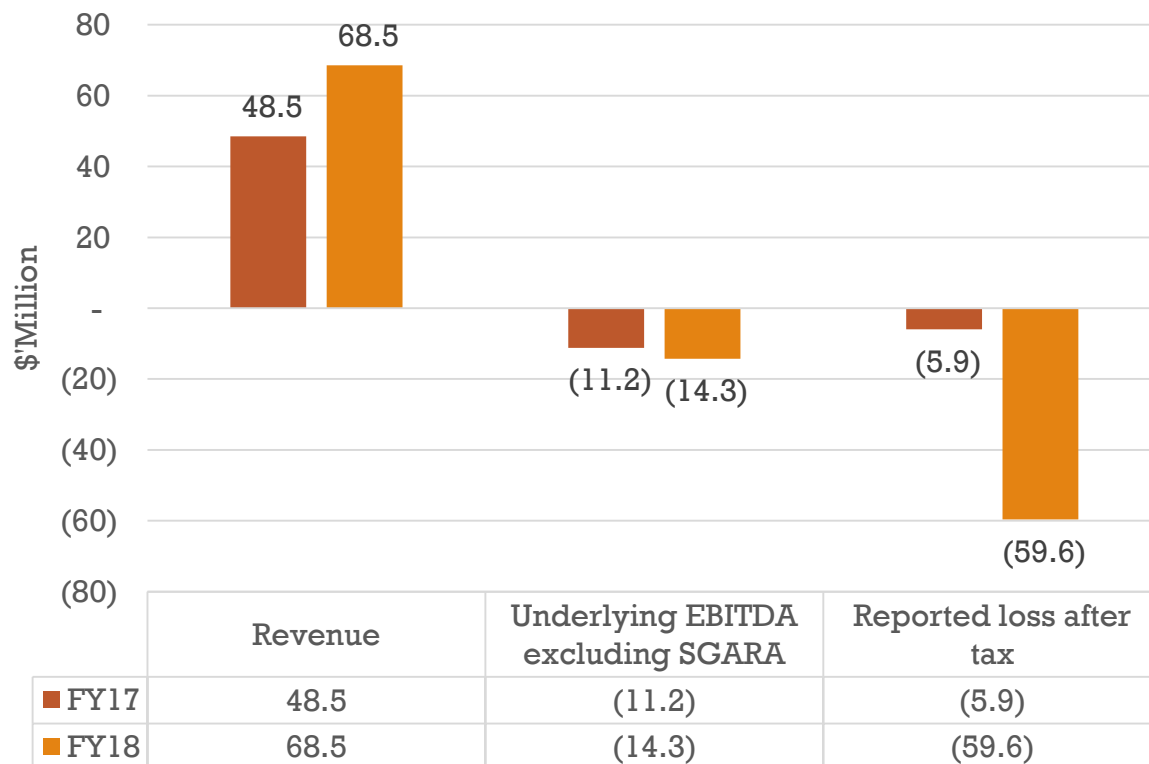


*All existing plantings expected to mature by 2022

Financial Performance



FINANCIAL PERFORMANCE



FY18 Performance

- Revenue increase mainly due to acquisitions
- EBITDA impacted by
 - poor integration of acquired businesses
 - sales team significantly reduced by prior management
 - stock supply issues
 - discounting to clear excess/slow moving stock
 - delay in commissioning new Dandenong and Sunraysia plants
- Export sales up 38.4%
- Project Muscat \$5m cost savings in FY19
- Moved to EBITDA before SGARA in FY19

FY19 Guidance

- Sales broadly in line with FY18, but with a focus on EBITDA outcomes
- EBITDA loss \$2.8m to \$3.2m
- Underlying EBITDA turnaround of ~\$11m from FY18 to FY19

RECAP AND NEW 3 YEAR NAB FACILITY COMPLETED

EQUITY RE-CAP

Capital Raised

Use of funds:

- Vineyard Development \$10.5m
- Third Party Fruit \$ 5.1m
- Operational Cash loss \$ 2.8m
- Colignan farm lease \$ 5.0m
- Working capital \$ 4.0m
- Transaction costs \$ 3.2m

Equity:
\$30.6m

DEBT FACILITY

3 Year Multi-Option banking facility

Key components:

- \$34.0m term loan facility
- \$ 6.0m in additional staged drawdowns
- \$10.5m working capital facility from July 2019
- \$ 4.5m additional WC from July 2020
- \$ 7.3m equipment finance loan facility

Debt
Facility
up to
\$63.9m

A wooden crate filled with fresh produce and Gobble organic food boxes. The crate contains a large orange, a cucumber, and a box of Gobble Organic Currants. The background is a blurred green field.

Transformation Program

Gobble

100% Australian

**ORGANIC
CURRANTS**

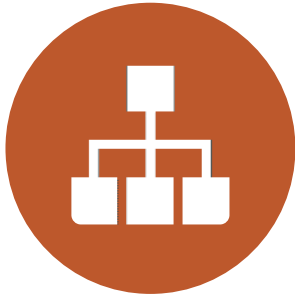
No Nasties!

You little

Sweet!

FIRST 6 MONTHS – KEY ACHIEVEMENTS

Major phase of transformation program completed in first 6 months...foundations are now in place



People

- ✓ Re-set leadership structure and recruited new SLT
- ✓ Right sized teams across corporate & operations – 28 roles removed
- ✓ Restructured & replaced ~50% of corporate roles enabling new operating model
- ✓ Introduced culture of accountability & performance



Capital

- ✓ Re-set the balance sheet with \$30.6m capital raise
- ✓ Secured \$64m three year multi-option bank facility
- ✓ Focused inventory management to reduce working capital
- ✓ Removed SGARA and implemented standard costing and improved controls



Customer

- ✓ Leveraged core organic dried vine fruit supply
- ✓ Introduced strategic sourcing unit
- ✓ Conducted full category range pricing review
- ✓ Reset strategic partnerships for key categories
- ✓ Recruited new sales & NPD teams



Farms













- ✓ Reviewed capex plans for all sites and farms
- ✓ Centralised farm services
- ✓ Attracted deeply experienced agriculture and agronomy teams
- ✓ Major irrigation infrastructure upgrade program completed at Colignan in record time of 10 weeks



Operations

- ✓ Restructured Dandenong site operations & reduced shifts
- ✓ Reduced lead time and inventory stock and improved flow
- ✓ Transitioned pick n pack operations to South Park Drive facility
- ✓ Reduced SKU tail by +250 SKU's

Transformation program is well underway, with benefits currently being realised

	Short term (6-12 months)	Progress	Medium term (3 years)	Progress Metric
1 Operations	<ul style="list-style-type: none"> Reset operating cost base in Dandenong Improve efficiency and fulfillment Implement warehouse management system 		<ul style="list-style-type: none"> Reconfigure warehouse footprint 	 Fill Rate >90% by Jun-19
2 Customers	<ul style="list-style-type: none"> Restructure sales team Full category range architecture & pricing review Improve customer management 		<ul style="list-style-type: none"> New product development Brand development and planning Entering new markets 	 New products ranged Increased margins
3 Farms	<ul style="list-style-type: none"> Complete Farm Operational Review Work with agronomy partner to build farm plans Implement centralised "farm services" model 		<ul style="list-style-type: none"> Improve nutrition, irrigation Adopt best practice farming methods 	 Improve yield performance
3rd party suppliers	<ul style="list-style-type: none"> Build confidence in MRG as processor Reset strategic partnerships 		<ul style="list-style-type: none"> Partnering with growers Enhance strategic buying 	 Build confidence & sourced volumes
Systems	<ul style="list-style-type: none"> Reset SGARA Implement standard costing system Improve stock & purchasing controls Improved sales and operational reporting 		<ul style="list-style-type: none"> Continuous improvement 	
People & culture	<ul style="list-style-type: none"> Leadership structure reset Culture of values & performance Focus on OH&S 		<ul style="list-style-type: none"> Build KPI, outcome-based performance Embed safety first culture Develop our people & leadership 	

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