



THE FOOD
REVOLUTION
GROUP

**Half Year 31 December
2016 Results**
- FY2017 -

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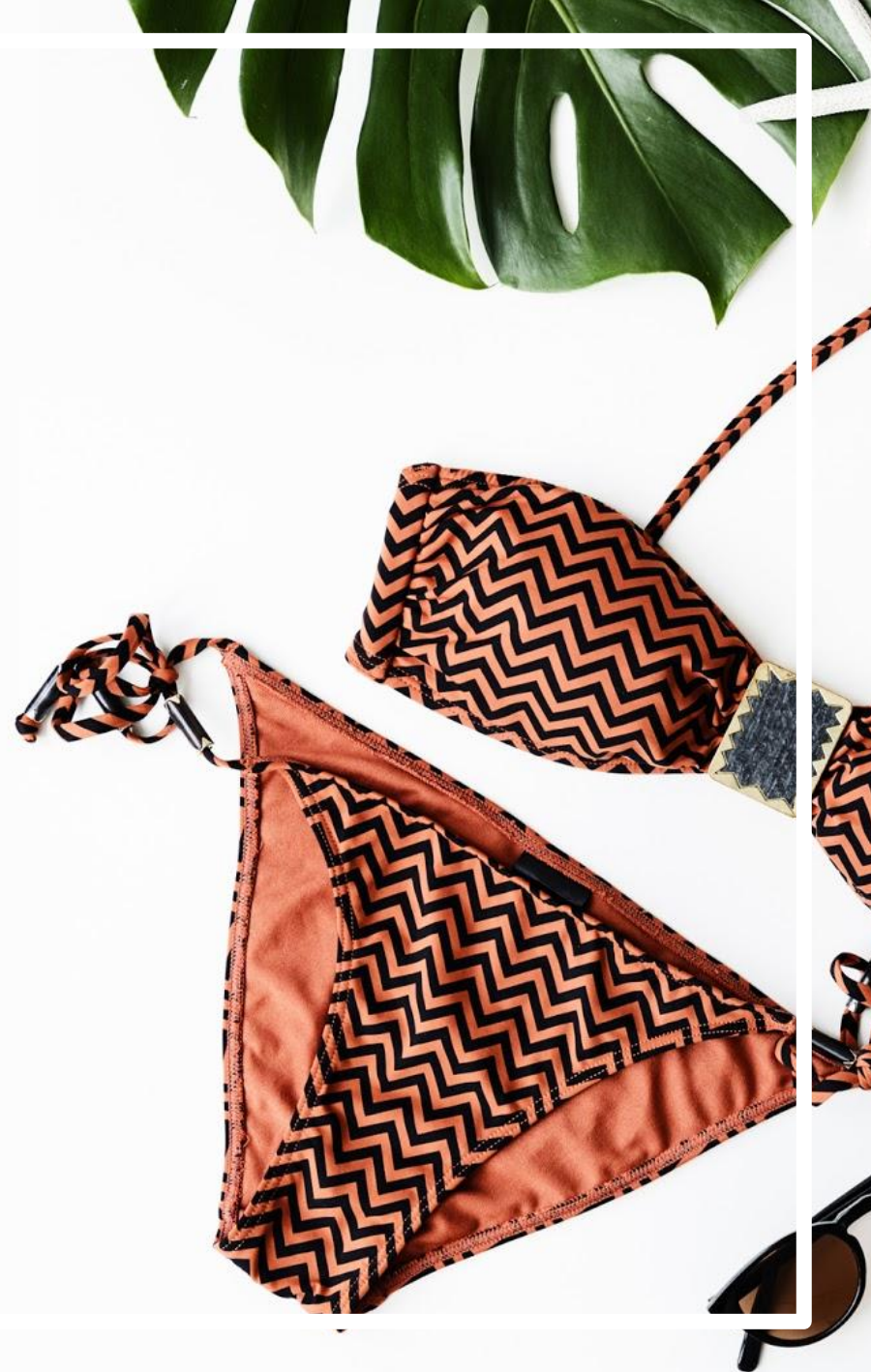
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HY17 Financial Summary

	Half Year Ended 31 December 2016	Half Year Ended 31 December 2015	% change
Gross Sales	\$17,862,339	\$7,320,096	144%
Gross margin	\$8,140,446	\$2,384,704	241%
Other Income	\$2,262,685	\$4,005,556	-44%
EBITDA from continuing Operations	\$3,031,173	\$2,168,733	40%
Profit from discontinued operations	-\$1,132,234	-\$674,271	68%
Depreciation & Amortisation	\$731,762	\$750,162	-2%
Interest	\$291,104	\$581,280	-50%
Income tax	\$1,013,111	0	-
NPAT	\$1,889,384	\$163,020	1059%

- Increased revenue & gross margin % reflects an increased contribution from sales of branded products.
- A decline in R&D from \$4 million to \$1.8 million accounts for the decline in other income.
- Deferred income tax deduction from loss making periods.



Normalised EBITDA

	Half Year Ended 31 December 2016
EBITDA from continuing Operations	\$3,031,373
Less Profit on sale of Roxdale (see note 4)	-\$230,583
Transaction cost (legal, break fee, consulting)	\$1,10,062
RTO related Transactions	\$51,654
Normalised EBITDA	\$3,962,506

- Core business running very well.
- Transaction costs are legal costs, consulting costs, accounting cost, break fees to do with Sale of Roxdale, Sale of bioactive IP, Licensing agreement, withdrawal of acquisition of Healthy Warrior , Future Generation Foods, capital raise and other miscellaneous costs.
- RTO retaliated transaction cost from Feb 2016 RTO.



BALANCE SHEET

	Half Year Ended 31 December 2016	Half Year Ended 30 June 2016
Current Assets	\$11,734,111	\$10,153,501
Non-Current Assets	\$17,566,241	\$17,388,025
Total Assets	\$29,300,352	\$27,541,526
Current Liabilities	\$12,093,470	\$12,189,169
Non-Current Liabilities	\$6,698,259	\$6,693,565
Total Liabilities	\$18,791,729	\$18,882,734
Net Assets	\$10,508,623	\$8,658,792



Half Year FY2017 Highlights

31 December 2016

1. **Sales Growth of 122% compared to last year. Gross Sales were \$17.8M for the half.**
 - ✓ Sales department strengthened and led by Matt Bailey.
 - ✓ Developed and launched 8 new products.
 - ✓ More products developed and ready for launch in FY17 (20+ new products in pipeline)
 - ✓ Increased Distribution to ALDI, Coles Express, BP
2. **Profit:**
 - ✓ Gross profit margin healthy, Normalised EBITDA of \$3.9M for half.
 - ✓ Lower manufacturing cost base.
 - ✓ Received \$1.8M in R&D rebate.
 - ✓ More resources in Sales.
3. **Net Assets improved by \$2.2M for the half year from 30 June 2016. \$1.3M payed off debt and accrued interest cost.**
4. **Group consolidated for tax purposes and booked a deferred income tax asset of \$1M.**
5. **Group cancelled Healthy Warrior and Future Generation Food proposed acquisition and associated capital raise of \$10M.**
6. **Restructured Business:**
 - ✓ Divested loss-making assets Roxdale Foods
 - ✓ Ingredient Business held for sale. Signed in Jan 17.
 - ✓ Restructuring to focus on Food products and lowered cost base.
7. **Performance A shares and rights were issued.**
8. **Graham Duff AM was appointed Independent chairman. Domenic Martino resigned as chairman.**



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FY2017 Objectives

1. **Organically grow distribution channels.**
2. **Continue to Innovate and optimize our product portfolio.**
 - Swap non performing products with new products.
3. **Bed down restructuring as a result of divesting Roxdale and IP Sale.**
4. **Focus operations on efficiency and yield improvements.**
5. **Domestic market will be the focus. We have many opportunities locally. Export Markets entry will be very cautious.**
6. **Orange Supply creating problems and opportunities**
7. **Divest Mining Assets**
8. **New Boiler with \$300K will be installed**



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Retail Channels

Retail channels entered in Half Year ended 31 December 2016

coles



coles
express



Q&A

