



**THE FOOD  
REVOLUTION  
GROUP**

ASX Announcement

4 September 2019

## **FOD acquires iconic Australian brand Original Juice Co Black Label from Golden Circle**

### **Highlights**

- **FOD to acquire the Original Juice Co Black Label brand (OBL) from Golden Circle**
- **FOD will leverage this strong long-term Australian brand to innovate and develop new products and expand into Asian markets**
- **FOD acquiring OBL for \$1.25 million: \$1.0 million for the brand, trademarks, and IP as well as an estimated \$0.25million for inventory**
- **FOD expects the acquisition will significantly increase FY20 financials – increasing revenue ~\$7 million and gross margin by \$2.5 million**
- **Additionally, FOD reiterates top line growth of approximately 25% for FY20 and provides revenue guidance of at least \$40 million with margins expected to be superior to FY19**
- **Refreshed Board and management team has created product platform opportunities outside of juice – new products set for launch in FY20.**

The Food Revolution Group Limited (ASX: FOD) is pleased to announce it will acquire the Original Juice Co Black Label brand and brand assets, which consists of the well-known Original Juice Black Label (OBL) brand, from Golden Circle for \$1.25 million.

Golden Circle has produced high-quality fruit juices in Australia under the OBL brand for nearly two decades. The brand was originally founded in Melbourne in 1988. The brand is forecast to deliver a significant portion of the Company's sales during FY2020. The acquisition takes effect immediately.

OBL is trademarked for domestic sales in Australia as well as export markets in Asia and New Zealand. FOD plans to use its established distribution networks through South East Asia, including China, Hong Kong and Singapore, to grow the brand's annual sales. The Company expects that through revitalising such a long term iconic Australian brand it can generate significant traction through its growing distribution footprint in China.

FOD Chief Executive John Florey said the group was excited to acquire the OBL brand.

“Our acquisition of Original Juice Co Black Label brand will see a new chapter commence in our Company’s history. Original Juice Co Black Label has an established, solid market here in Australia and building on that it will give The Food Revolution Group a new larger springboard and allows us to open up new opportunities in international markets, such as China,” he said.

“We can use our leading technology and experience gleaned from creating our own juice ranges to innovate the Original Juice Co product range, and we are well funded to pursue growth, having secured a \$20.25 million strategic investment from Careline Australia and our Executive Chairman Norman Li. Since announcing this investment last year, we have been able to grow our capabilities and distribution into China and finalise upgrades to our Mill Park facility.

“We have also built a new and stronger management team over the past year and we are set to move into new platforms. Our major shareholders are very supportive of these opportunities to build FOD’s long-term sustainable growth by investing in our people and our plant and equipment.

“We are excited to take this next step in our strategy through this acquisition, as it allows us to build on the momentum created in FY19 when we cleared the slate and commenced our growth into China.”

FOD achieved gross sales revenue of \$32 million for FY19, however it expects this to increase by about 25% in FY20, with revenue guidance of \$40 million. The Company plans to release new products during the second half of FY20 and is working to complete a state-of-the-art dry room facility to produce high-end, high-margin functional gels and powder sachets. These planned new products have generated a lot of interest, particularly in the China market, with more than 100 potential customers visiting FOD’s Mill Park facility for discussions.

Mr Florey said FOD would continue to sell and support the existing OBL range to all major Australian retailers, such as Coles, Woolworths and Metcash. However, new OBL products have been formulated which will be ready for launch in the coming months, and FOD plans to continue developing products to add innovation to the trusted and well-known brand.

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**About The Food Revolution Group**

The Food Revolution Group Limited (ASX: FOD) is an Australian-based food processing company that uses a combination of conventional juice processing equipment and custom-developed equipment and processes to manufacture a range of high-quality juices, fibres, infused fruits and fruit waters that are sold as branded products or ingredients to customers domestically and overseas.

FOD uses a range of processing technologies, including Current Counter Extraction (CCE) technology which was developed in conjunction with Australia’s CSIRO to extract juice from fruit and vegetables. Its processing facilities are located in Mill Park, Victoria.

FOD is aiming to generate shareholder value through exploring opportunities for growth in the functional food, beverage and nutraceutical markets in Australian and key international markets, including China.