



Canaccord Growth Conference - Boston USA

## **YOWIE GROWTH ROADMAP**

August 2016



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Prepared for Yowie Group Ltd for the Yowie TM Label





# Executive Summary – The Yowie Appeal

- Unique multi-category offer – confectionery, collectible, gift, associated branded merchandise
- Strong brand mission – save the natural world
- Collectibility and surprise
- Digital engagement, play and learn
- Premium price point
  - Value for consumers – confectionery, plus collectible, plus Free App
  - High profitability for retailers





# Executive Summary – Yowie Well Positioned for Strong Growth

- Unique product and brand
- First mover advantage in US
- Significant white space growth opportunity for retailers
- Huge market opportunity – 320m population, estimated market opportunity 700-800m units, >\$2bn estimated sales value
- Present in >40k US outlets, still only an estimated 10% of addressable retailers
- #1 selling immediate consumption chocolate item in US
  - Achieved in less than 2 years and with minimal marketing spend
- US\$32m cash and no debt – flexibility to ramp up marketing spend and manufacturing to capture the opportunity







A global brand  
licensing company





# Yowie Key Objectives

1. Build a confectionery led global Yowie brand with focus on US and other Tier 1 International markets
2. Launch a broad range of Yowie branded licensed products worldwide into food & non food merchandising categories
3. Establish a commercially successful Yowie digital platform: web site, paid gaming, webisodes, movies





# Yowie Growth Pillars



## SALES

- Channel expansion - U.S market
  - Increased customer base
    - Increased breadth & depth of distribution
      - Market expansion – global

## MARKETING

- Trial, test & learn strategy (as per sales)
  - Build investment based on results
    - Mixed media & key market testing
      - Communication for kids created by kids/tested on kids

## PEOPLE

- Increase sales force
  - Strengthened specialist capability
    - Increase merchandising support in store

## DIGITAL

- Unlock growth opportunity business model
  - Gaming

## LICENSING

- Food & Non-Food
  - Publishing
    - Webisodes development
      - Film & Cartoon



# Yowie Brand Positioning

## SAVE THE NATURAL WORLD

Learn through Play – Educating children to protect the environment and endangered animals

## TARGET MARKET

Children, parents, guardians, grandparents, family and friends – for treat and everyday gifting





# Significant year 1 progress! 2016 Achievements

## January - Category Success

- 🐾 Yowie achieves success in US candy market
    - 🐾 # 1 selling front end novelty candy item
    - 🐾 # 8 selling item in total candy front end
    - 🐾 # 10 selling item in convenience with only 5.4% distribution
- (Nielsen 13 weeks ending July 16 2016)

## March - Manufacturing Expansion

- 🐾 Yowie secures listing national Drug Chain, third tier 1 account since launch
- 🐾 Commissions new state of the art high speed robotic manufacturing plant in Rockaway Bay New York
- 🐾 Launches successful pre Easter social media campaign

## April - Beyond Confectionery

- 🐾 Yowie becomes #1 selling and fastest growing novelty candy in US market (Nielsen Total USxAOC: Latest 52 weeks ending 26/3/2016)
- 🐾 Yowie appoints award winning film producer Bruce Davey as Global Creative Advisor





# Significant year 1 progress! 2016 Achievements

## May - Distribution Breadth & Depth

- Successful capital raising AUD\$32M to expand US operations
- Yowie signs Yo-kai Watch Licensing Agreement
- Yowie purchases additional high speed wrapping machine to expand system capacity to 40 million units
- Participant with Eby-Brown Smart Store Program to reach 10k convenience outlets
- Participant with McLane Virtual Trade Show potential reach 20k convenience, military and travel outlets

## June - Major Capability Ramp Up

- Appointment Bert Alfonso as Global CEO Yowie Group Ltd
- Appointment Mark Schuessler as Global COO Yowie Group Ltd





# U.S. Market Retail Accounts Update



In only two years Yowie has achieved ranging in three tier one national retail accounts, over 40,000 stores with sales recorded across 50 current active accounts and/or account groups.

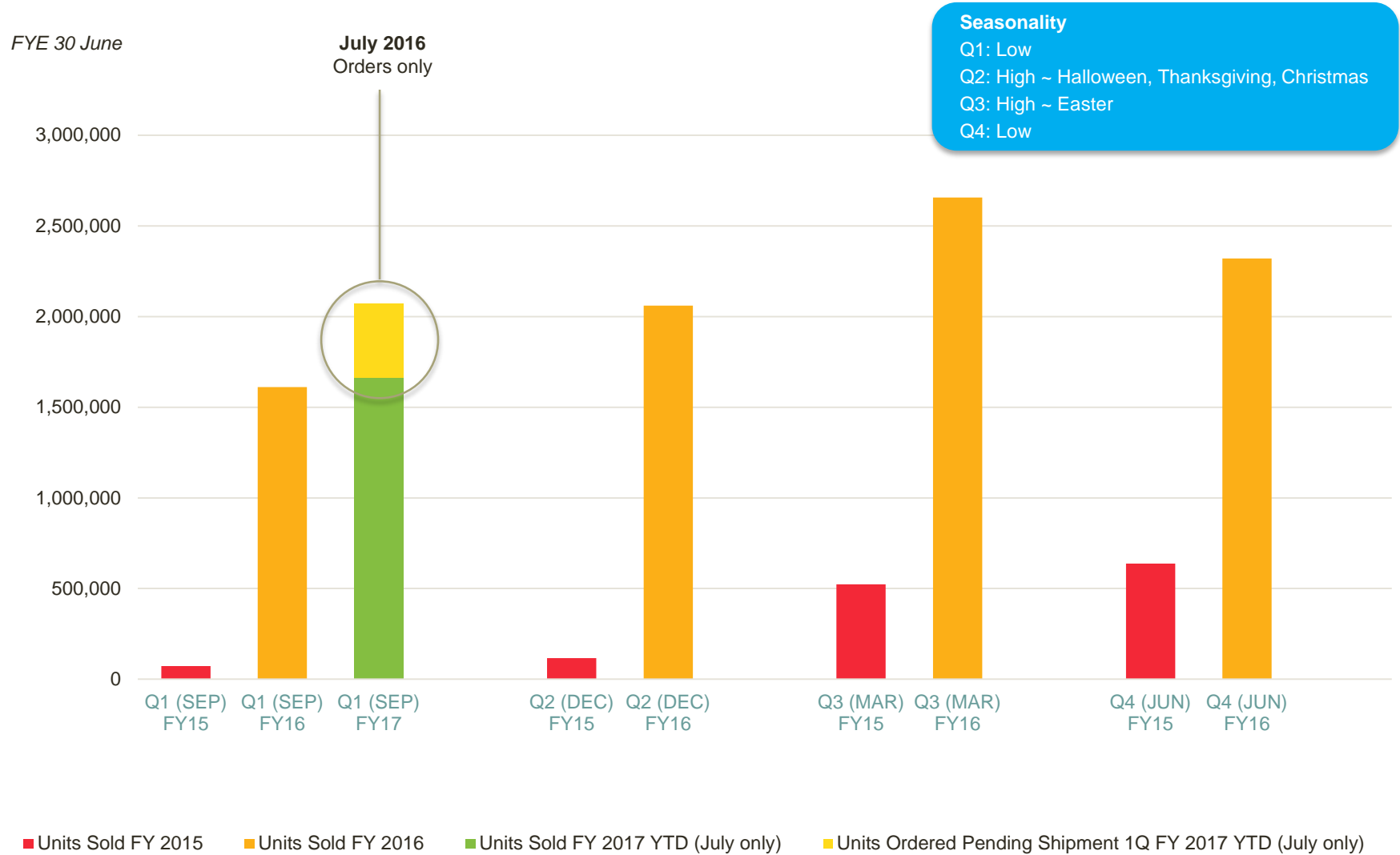


- 🐾 **Mass Merchandiser:** from successful trial to national rollout to over 4,500 stores
- 🐾 **Drug:** national pharmaceutical retailer 6,500 stores
- 🐾 **Fuel & Convenience:** 2 national groups
- 🐾 **Grocery:** national grocer rollout to 1,318 stores
- 🐾 **General Retail:** Cost Plus World Market
- 🐾 **Distributors:** 6 Distributors delivering coverage across 50 U.S. States
- 🐾 **Leisure & Entertainment:** Zoos and Resorts
- 🐾 **Also Selling On Line:** two on-line retailers
- 🐾 **Store Expansion:** reached over 40k stores in 2016 fiscal





# Unit Volume Sales 2016 Versus 2015 by Quarter



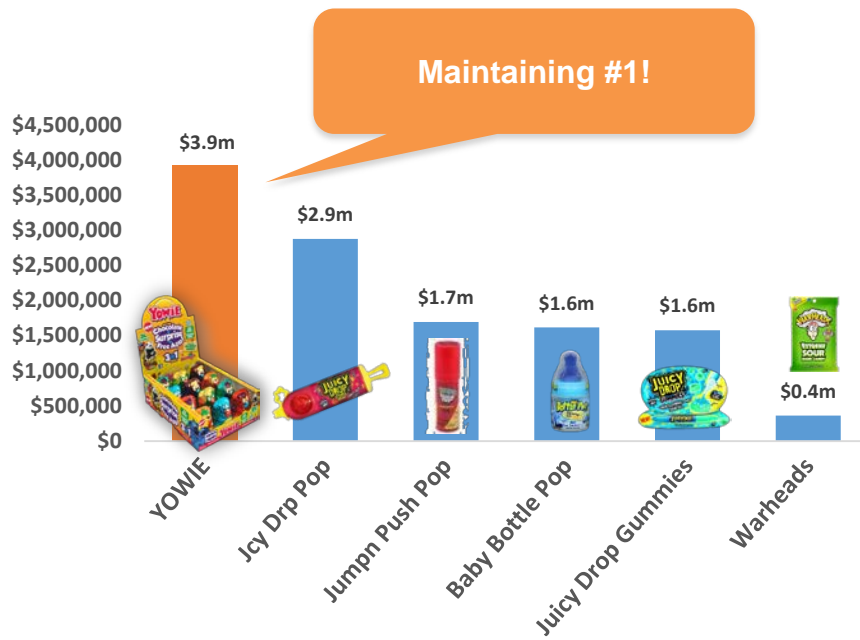


# National Retailer: Yowie # 1 novelty brand and growing!

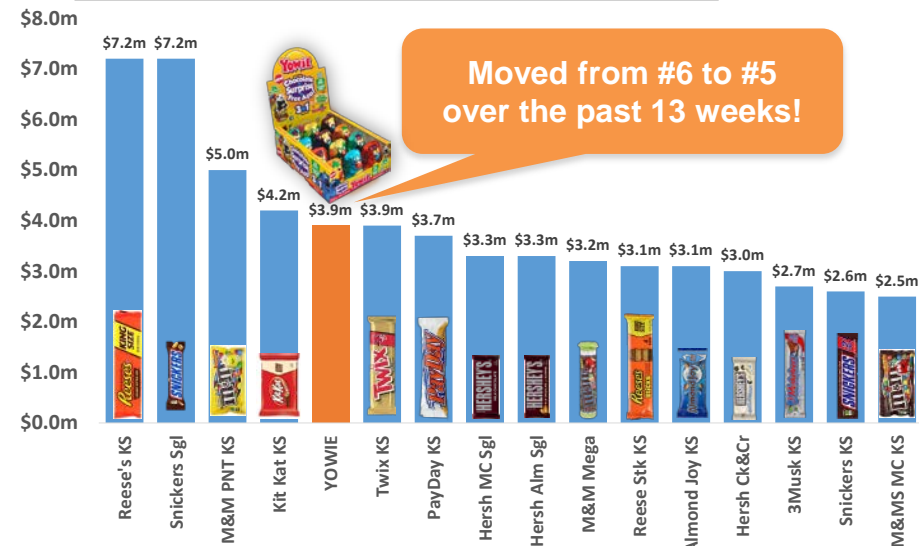


- #1 Ranked Novelty Candy Item on the Front-end
- #5 Ranked Chocolate Item on the Front-end

## Front-End Novelty Candy Total Sales \$\$\$



## Front-End Chocolate Total Sales \$\$\$





# YOWIE! #1 item in Total US

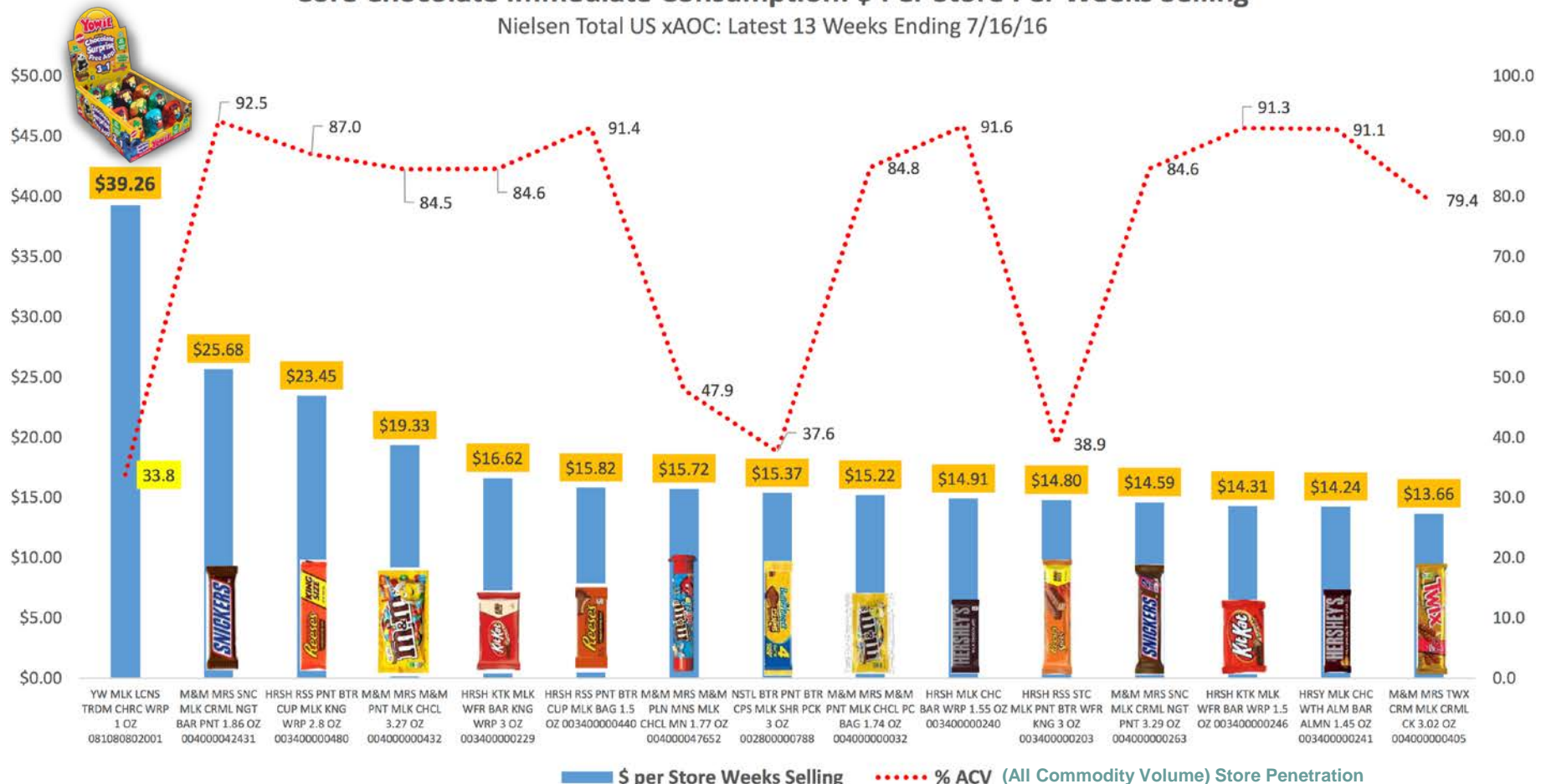
## All Outlets Combined (excludes convenience)



- YOWIE! #1 performer in \$ per store, per week over the past 13 weeks
- Almost 2x the productivity of Reese & Snickers King Size, in 34% of Stores

### Core Chocolate Immediate Consumption: \$ Per Store Per Weeks Selling

Nielsen Total US xAOC: Latest 13 Weeks Ending 7/16/16



■ \$ per Store Weeks Selling    ..... % ACV (All Commodity Volume) Store Penetration

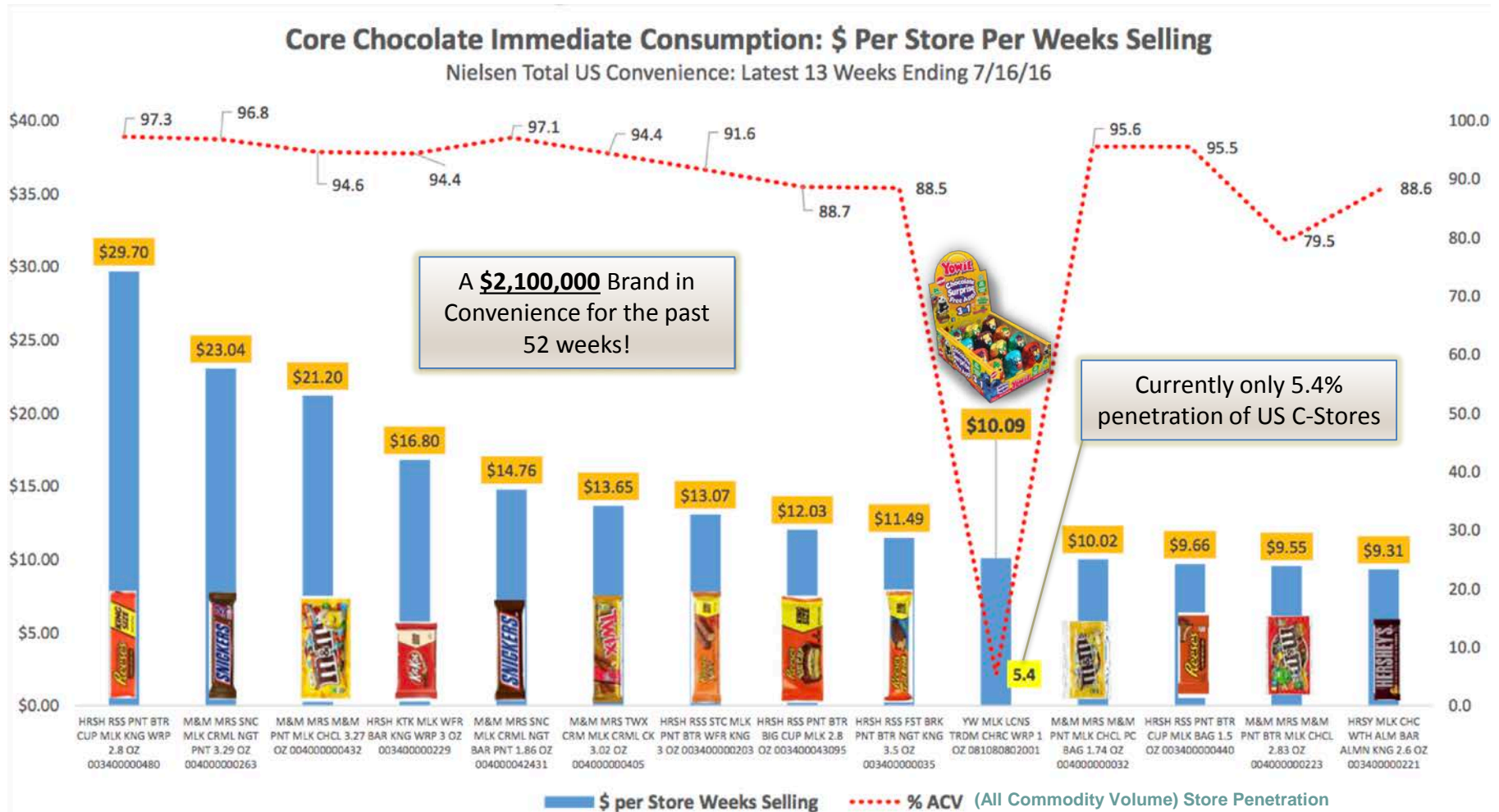
Source: Nielsen Total US xAOC 13 Weeks 7/16/2016



# YOWIE! Top Item in Total US Convenience



- Yowie is a top 10 selling item in total US Convenience while currently available in only 5.4% of stores
- More productive than M&Ms Singles and Hershey Almond!





# Yowie Tier 1 Partners in the US-Today





# Yowie Key Objectives 2017

- Outlook: Double revenue versus 2016 with breakeven profit within reach
- Strengthen brand awareness through aggressive marketing initiatives
- Permanent planogram placement at major US retailers
- Achieve breadth and depth national U.S. distribution
- Establish a fully optimized national U.S. broker distribution network
- Launch Series 2 'All American Series' and Series 3 'Yowie World' Limited Edition Yowie Collectibles
- Launch pre Halloween & pre Easter advertising campaigns
- Launch Yowie publishing
- Expansion into new markets beyond US





# Off to a great start in first month of 2017!

## July

- Record number of sales orders received
- Reached 20 million dollar sales since launch
- Continue to expand into new accounts in US
- Strong shipments of Series 2 for September launch
- Plans for international expansion underway
- Yowie World website refresh & relaunch commenced

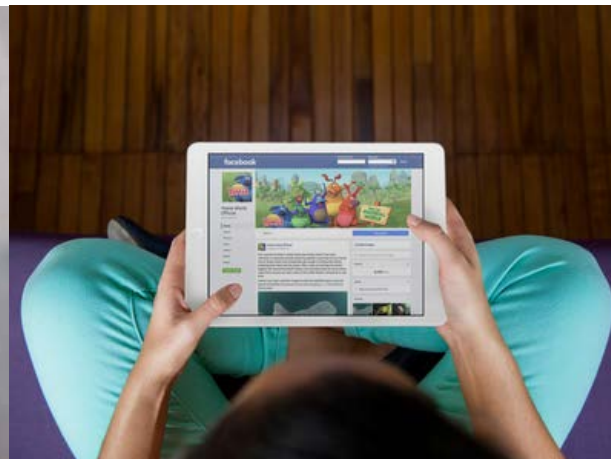
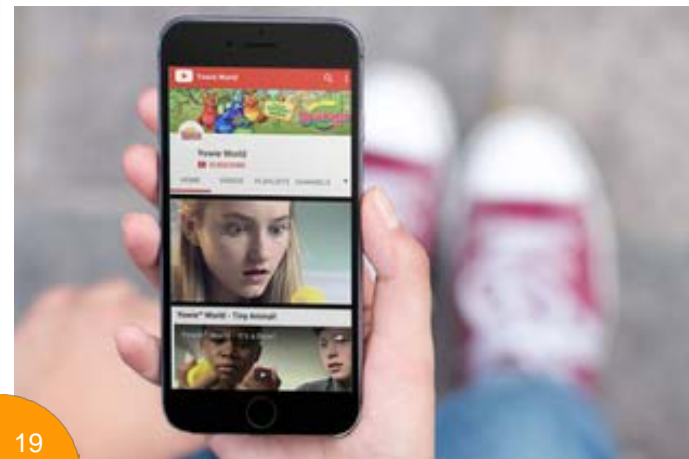
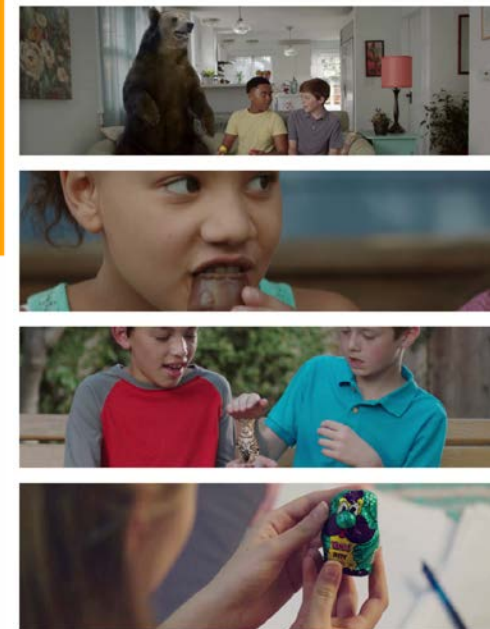




# Increased Marketing Investment in 2017

## Aggressive success driven marketing spend

- \$2M+ digital marketing ongoing investment through Yowieworld.com including FREE Yowie App
- \$1.5M+ in advertising support with kids making Yowie ads for kids
- Invitation to discover Yowieworld.com is in every Yowie chocolate candy
- Yowieworld.com is supported by Yowie social media activities
- Yowie Facebook; YouTube; Twitter; Instagram and a Yowie (independent) Fan Club
- In Store promotional opportunities with annual Eco Calendar e.g. World Environment Week
- Affiliation with local Zoos, Aquariums and Ecology-based venues
- Local Yowie Collectors 'Swap Meets' – to trade, swap and share
- Free Yowie Posters detailing limited edition collectables
- Social Media and PR



ADOLESCENT.



# New US Manufacturing Plant

- State of the art chocolate molding and packaging line supports significant expansion capability
- 100 million units p.a. molding capacity
- Ability to optimize costs going forward
- Expansion to 40 million p.a. packaging by November 2016
- Ability to quickly add packaging capacity to match molding capacity
- Strong Quality Control





# New Plant Provides Global Expansion Capability

- ❧ Dedicated nut free manufacturing plant located in New York
- ❧ High speed, high volume, automated, robotically driven
- ❧ Capability to produce 100 million units for global expansion





# Strong Balance Sheet

- Net cash position at US\$32.4 million on July 31, 2016
- No debt provides no interest charges
- Working capital well managed
- Accounts receivable 98% current, collected within 30 days
- Building inventory in Q2 fiscal year to service expanding customer base







Category Innovator





# Yowie Publishing

## Six New Books!



CRAG THE MANGROVE  
**Yowie**™

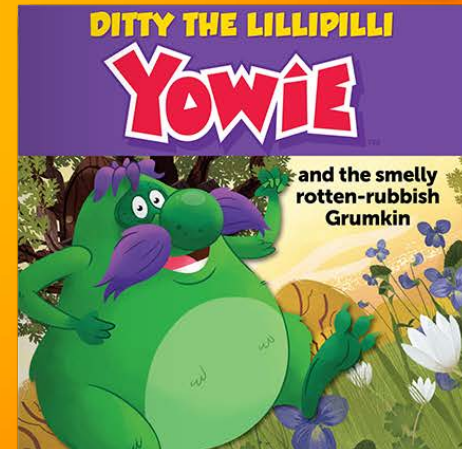
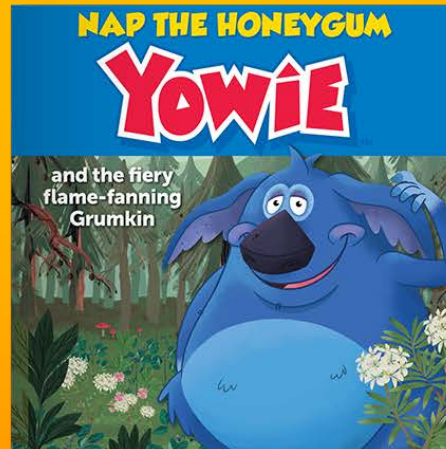
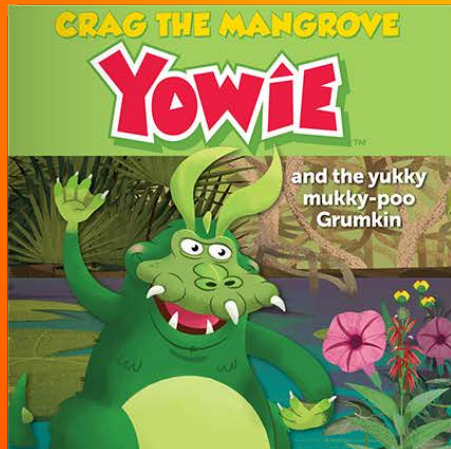
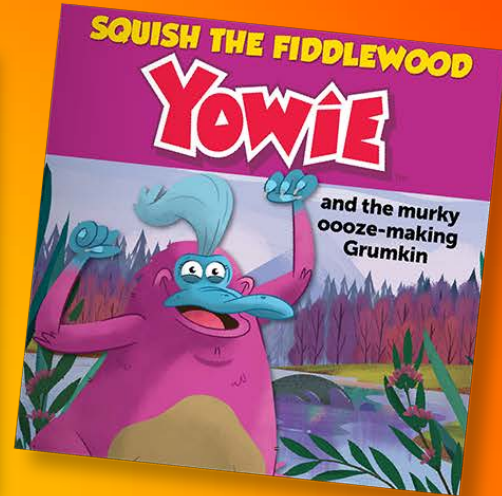
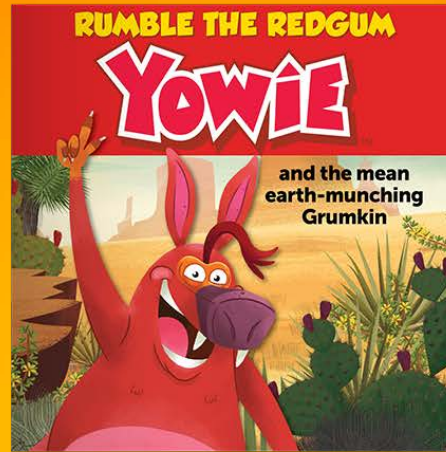
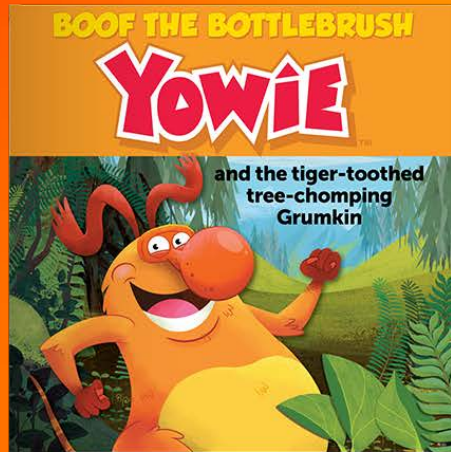


and the yukky  
mukky-poo  
Grumkin





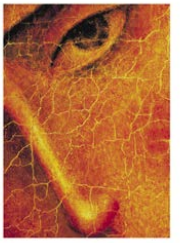
# Yowie Publishing to launch in 2017 fiscal



Publishing



# Yowie Animation & Film Development



ICON

- 🐾 Meetings progressing with animators, studios and distributors
- 🐾 Studios and distributors are excited by the potential of the Yowie creative
- 🐾 Yowie confectionery generates unique marketing opportunities through retail network distribution
- 🐾 Currently in negotiation with experienced Hollywood film script writer identified for development of Yowie webisodes, animated series and feature film script.







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**THE ANGRY BIRDS MOVIE**

HURRY TO COLLECT ALL 12 CHARACTERS!  
SELLING FAST!

BRAND

SURPRISE INSIDE!



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# ANGRY BIRDS™



**Yow™**  
**Brands Ltd**





# YO-KAI WATCH™



**Yow**™  
Brands Ltd





## Corporate Profile





# Board Team



## **Executive Chair : Wayne Loxton**

Extensive corporate executive experience spanning over 30 years at Managing Director & Director level across companies, disciplines and international markets.

## **Executive Director : Patricia Fields**

Led the development & commercialization of the Yowie brand for Cadbury Schweppes Asia Pacific into \$100+million retail brand. Over 30 years commercial and brand experience in FMCG industry, an ex Global Director for Cadbury Schweppes Plc.

## **Non Executive Director : Trevor Allen**

Has held senior executive positions at SBC Warburg and its predecessors for eight years and as a corporate finance partner at KPMG for 12 years. Commercial experience includes merger and acquisitions and business integration. Non-Executive Director on 4 ASX listed companies including Yowie. Audit & Risk committee on 3 of those Boards.





# New Global Management Team



## Chief Executive Officer : Bert Alfonso

- Global senior executive with 30 years experience in improving operating performance and meeting shareholder value
- Winning track record at Hershey, Cadbury Schweppes and Warner Lambert
- Accomplished in business turnarounds, driving top line growth, merger and acquisition and restructuring to increase shareholder value
- Global consumer brands experience, healthcare industry, international markets and cross discipline operational experience

## Chief Operating Officer: Mark Schuessler

- Experienced senior executive with over 30 years broad U.S and international markets experience
- Extensive cross discipline and cross category operational leadership experience in consumer packaged goods industry with Doumak Inc., The Campbell Soup Company, Proctor & Gamble and printing and banking industries
- President & COO of Doumak Inc. a \$100m privately held confectionery manufacturer with brand distribution globally in over 70 countries
- Responsible for international market development for Yowie





# Key Management



## **Chief Executive Officer Yowie North America : Sal Alvarez**

Sal is Chief Executive Officer of Yowie North America since November of 2014, and brings more than 30 years experience in consumer sales, marketing and innovation to Yowie North America, having worked in confectionery (Cadbury Schweppes and Warner Lambert), consumer products (Unilever, Sara Lee), pharmaceuticals (Johnson & Johnson, Pfizer) and spirits (Brown Forman) industries. Sal has prior management experience in the U.S., Latin America, Europe and Asia markets and has a proven track record of leading high performance teams to achieve consistent superior business results.

## **Global Creative Adviser : Bruce Davey**

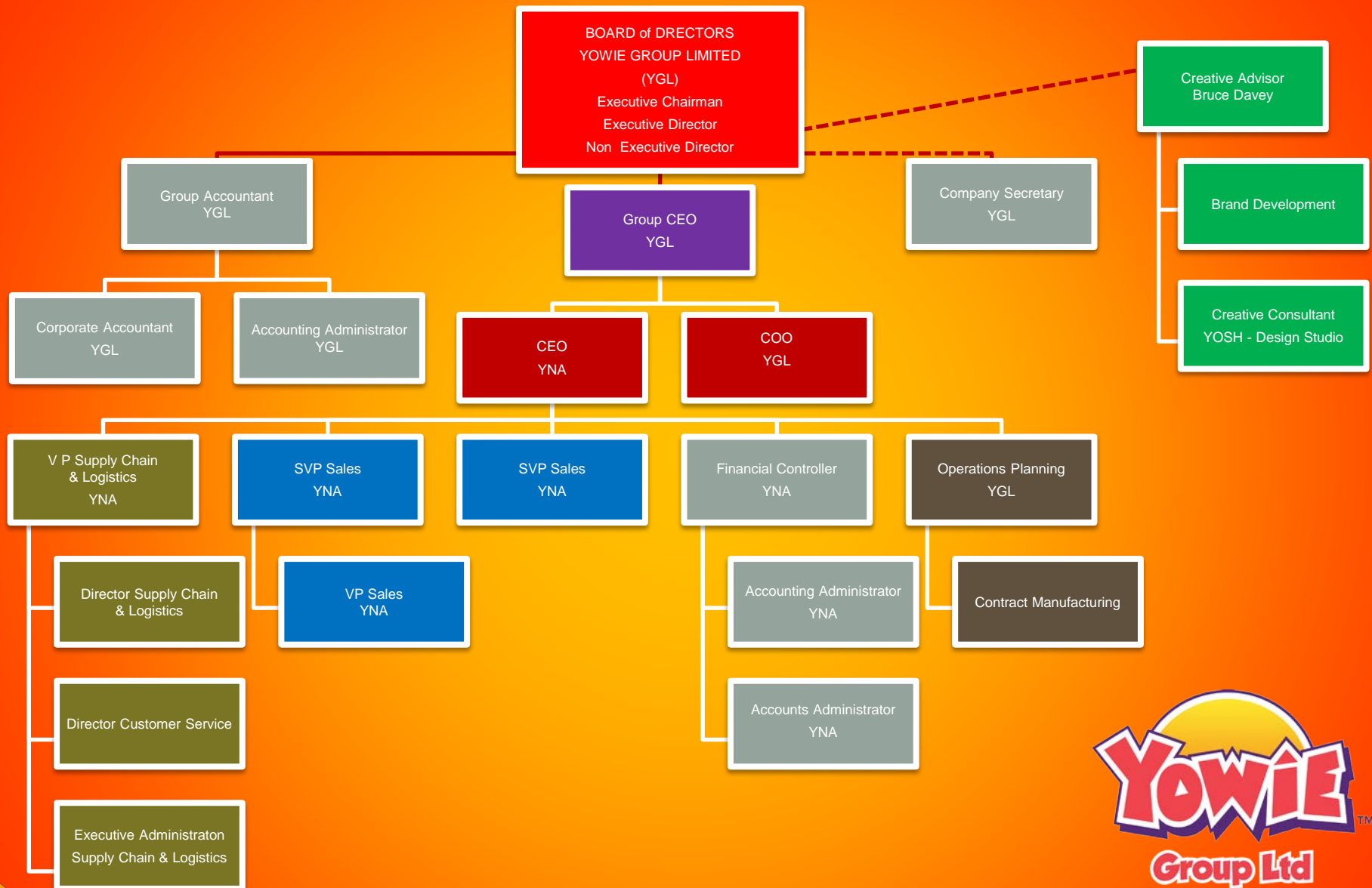
With over 25 years of experience in the film, television and entertainment industry, Bruce is uniquely placed to provide creative guidance and direction to the Group as it moves to open up other categories beyond confectionery including publishing, film and animation.

Born in, and based out of Sydney, Australia, Bruce brings to Yowie Group a wealth of experience and extensive contacts in the entertainment industry in the U.S, having been a resident of Los Angeles for 18 years, and across the world. Bruce is currently Chairman of Icon Group.





# Group Organisational Structure





# Yowie Capital Structure



<b>Ordinary fully paid shares</b>	
- Quoted	206,372,375
<b>Total on issue</b>	<b>206,372,375</b>
<b>Performance Rights</b>	
Achievement Award Performance Rights expiring 30 January 2017	2,991,324
LTI Award Performance Rights expiring 31 August 2017	320,499
LTI Award Performance Rights expiring 31 August 2018	320,499
Service Rights expiring 31 December 2017	100,000
Service Rights expiring 31 December 2018	100,000
<b>Total on issue</b>	<b>3,832,322</b>
<b>Unlisted Options</b>	
Director Options	
- 30/06/2017; 28.5 cents	4,200,000
- 31/12/2017; 76.6 cents	2,275,000
- 31/12/2017; 90 cents	375,000
- 31/12/2017; \$1.05	425,000
Employee/Consultant Options	
- 31/12/2017; 90 cents	2,050,000
- 31/12/2017; \$1.05	2,350,000
- 31/12/2017; 76.6 cents	1,350,000
- 31/12/2017; \$1.15	320,000
- 31/12/2017; \$1.25	640,000
- 24/08/2018; \$1.51	200,000
- 24/08/2018; \$1.63	400,000
- 08/09/2018; \$1.40	75,000
- 08/09/2018; \$1.51	125,000
<b>Total on issue</b>	<b>14,785,000</b>
<b>Market Capitalisation (31 July 2016 – A\$0.775)</b>	<b>A\$159.9 million</b>
<b>Cash position as at 31 July 2016</b>	<b>US\$32.4 million</b>
<b>Debt position as at 31 July 2016</b>	<b>US\$0.0</b>



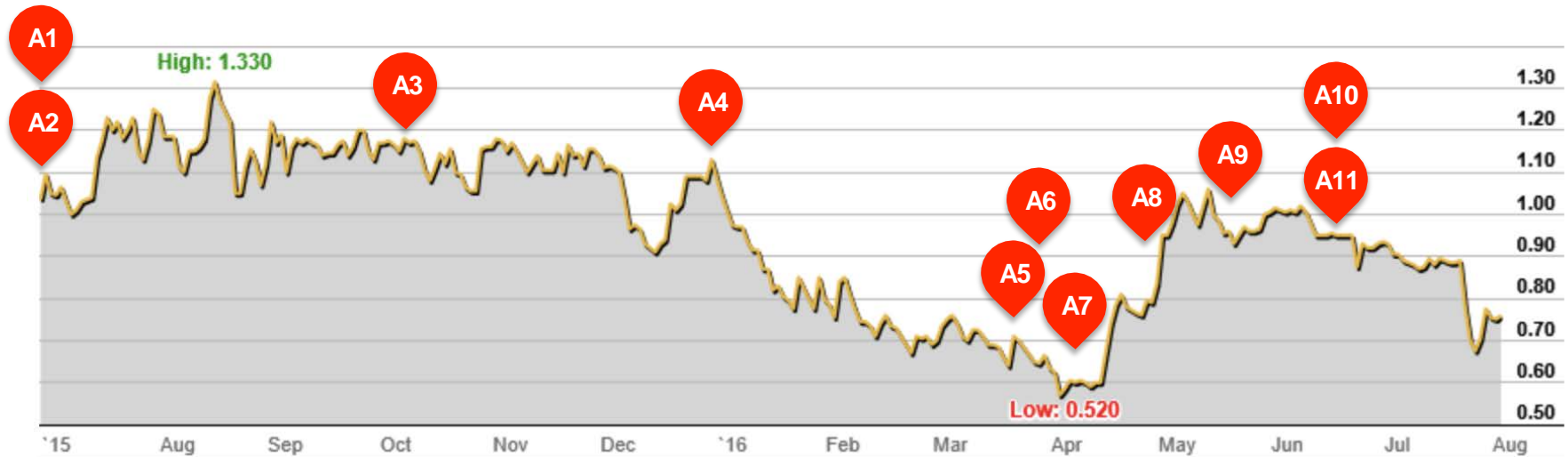
# Shareholder Overview



	Shares	%	
<b>Top 40 Shareholders</b>	<b>131,775,217</b>	<b>63.9</b>	
<b>Top 5 Shareholders</b>	<b>41,631,026</b>	<b>24.4</b>	
HSBC Custody Nominees (Australia) Ltd	29,235,648	14.2	
Citicorp Nominees Pty Ltd	16,026,990	7.8	
JP Morgan Nominees Australia Ltd	11,161,947	5.4	
National Nominees Ltd	8,387,017	4.0	
BNP Paribas Noms Pty Ltd	6,445,669	3.1	
<b>Total</b>	<b>71,257,271</b>	<b>34.5</b>	
<b>Related Party Holdings</b>	<b>Shares</b>	<b>Options</b>	<b>Performance Rights</b>
Wayne Loxton	5,870,000	2,400,000	2,136,660
Patricia Fields	1,518,572	2,400,000	1,495,662
Trevor Allen	50,000	1,075,000	-
<b>Total held by directors</b>	<b>7,438,572</b>	<b>5,875,000</b>	<b>3,632,322</b>
<b>% held by Directors</b>	<b>3.6%</b>	<b>39.7%</b>	
<b>Approximate % held by Institutions</b>	<b>38.0%</b>		



# Share Price Performance Review



**A1** Full rollout to Walmart announced June 2015

**A2** Partnership with American Zoos Association SAFE Program – 30 June 2015

**A3** Walmart national rollout completed - October 2015

**A4** Announced change in manufacturer

**A5** Launch social media advertising campaign – 15 March 2016

**A6** National distribution in 6500 Walgreens stores – 23 March 2016

**A7** Bruce Davey appointed Global Creative Advisor – 5 April 2016

**A8** Yowie #1 selling & fastest growing novelty candy in US market – 28 April 2016

**A9** \$32m Capital Raising to fund continued rollout in US market – 16 May 2016

**A10** Appoint Global CEO Bert Alfonso – 14 June 2016

**A11** Appoint Global COO Mark Schuessler – 14 June 2016





Brand  
Opportunities





# Yowie U.S. Market Opportunity



## FERRERO KINDER SURPRISE

**2014 Global Sales (est.)  
2 Billion Units**



## FERRERO KINDER SURPRISE

**2014 Europe Sales (est.)  
1.2 Billion Units**  
(= 60% of K.S. Global sales)



# Yowie U.S. Market Opportunity



- 🐾 YOWIE U.S. market opportunity > 320 million people
- 🐾 YOWIE volume est. = 700-800m units
- 🐾 YOWIE value est. > \$2 billion
- 🐾 US age demographic 0-14 Years = 63 million consumers
- 🐾 New confectionery growth opportunity
- 🐾 Rare 'white space' category opportunity



**U.S.  
2015**

**Population  
320 million**



# Yowie In Store Merchandising





# Yowie Off Location Display



Walmart 





# Yowie In Store Merchandising



In store visibility is key

*Walgreens*





# Yowie Impulse Display



## Lolli AND Pops

PURVEYORS of SWEETNESS







## Brand Proposition





# Discover Yowie World – Download Yowie App for Free!



- 🐾 A Yowie Ranger 'build your own' avatar and gamification engine
- 🐾 A suite of games aimed to engage and entertain
- 🐾 A “virtual sticker book” that enables you to keep track of your Yowie collectibles
- 🐾 A 3D environment that brings Yowie World to life and provides learning opportunities through play





# Yowie Brand History



- 🐾 First launched in ANZ market in 1995
- 🐾 65 million units sold in first full year (\$100 million retail)
- 🐾 Over 2 million Yowie children's books sold
- 🐾 Yowie rolled out into Australia, New Zealand, Singapore, Japan & UK markets
- 🐾 Extensive licensing program – across food & non-food
- 🐾 Yowie secured >30% volume market share from global and local market leader Ferrero's Kinder Surprise
- 🐾 In less than two years Yowie achieved 36.2% value share of Australian's children's confectionery market
- 🐾 Yowie became the No 1 selling single unit confectionery line in the ANZ market





# Yowie - An Award Winning Brand



## 1998 Sial D'or International Industry Trade Show

- 🐾 Best new global supermarket product
- 🐾 Best new global confectionery product

## Australian Market Awards

- 🐾 Best in the Business - Business Review Weekly
- 🐾 Best New Aus. Supermarket Product
- 🐾 Best New Product - Safeway Food Stores
- 🐾 Most Innovative & Best New Product - Foodweek Magazine





# Six Yowie Characters



**BOOF**

**DITTY**

**SQUISH**

**CRAG**

**RUMBLE**

**NAP**

**Yowie are mythical creatures  
from the other side of sunset.**

Each Yowie character is guardian of a natural habitat;

- 🐾 **Boof:** Pacific Rainforests & Rocky Mountains
- 🐾 **Squish:** Great Lakes & Waterways
- 🐾 **Crag:** Everglades, Swamp & Backwater
- 🐾 **Nap:** Treetops of the Northern Forests
- 🐾 **Ditty:** Eastern Woodland & Meadows
- 🐾 **Rumble:** Sonoran Deserts & Great Plains



# Yowie Global Brand Credentials



- 🐾 International award winning brand
- 🐾 Proven category performer over >10 years
- 🐾 New consumer benefits have improved & strengthened brand
- 🐾 Worldwide appeal across gender, age and culture
- 🐾 Quality and safety brand hallmarks
- 🐾 Cross category licensing opportunities in food and non-food
- 🐾 Unique, relevant and timely positioning – ‘Save the Natural World’
- 🐾 Premium, quality, value consumer proposition
- 🐾 Collector fan club
- 🐾 Play & Learn proposition
- 🐾 Unrealized global market potential

**PLAY & LEARN**





# Consumer Benefits – Kids Love Yowie & so does Mum!



- 🐾 Responsible ecology positioning 'Save the Natural World'
- 🐾 Play & Learn proposition
- 🐾 100% all natural milk chocolate
- 🐾 Chocolate made in the USA
- 🐾 Nut, Gluten & GMO Free
- 🐾 Kosher & Halal Certification
- 🐾 No high fructose corn syrup or palm oil
- 🐾 U.S FDA & CPSC compliant – not embedded – no small parts – no choking hazards
- 🐾 Tamperproof locking device capsule
- 🐾 Recyclable/ reusable unique Yowie character shape capsule
- 🐾 Portion Controlled 1 oz. single serve in two chocolate halves to enjoy, share or save
- 🐾 Ethically sourced & traded chocolate with Rainforest Alliance Certification
- 🐾 COPPA compliant digital platform (Children's On Line Privacy Protection Act)



**COPPA**  
Children's Online Privacy  
Protection Act



# Yowie Confectionery Product



Yowie confectionery was created to carry the message to the world educating children through play.

## Save the Natural World

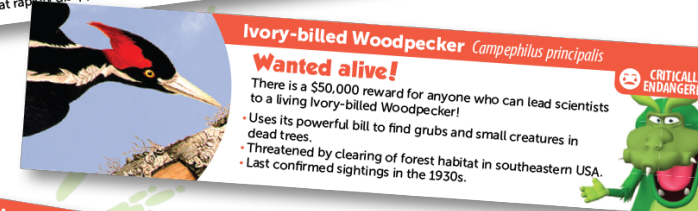
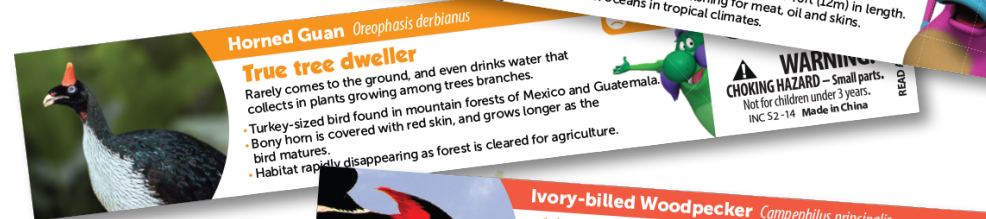
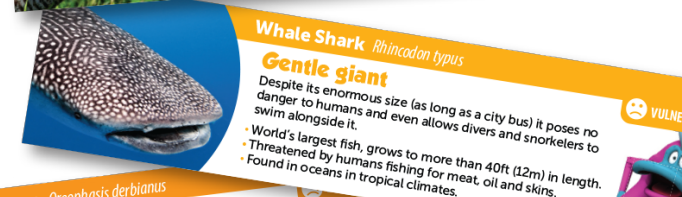




# Yowie Collectibles



- 🐾 Limited edition Yowie collectibles 24 per Series
- 🐾 Hand painted with food grade non toxic lead free paint
- 🐾 Each premium quality, detailed to exacting scientific specification
- 🐾 Each with Wow! fun facts leaflet including animals eco status
- 🐾 Manufactured to international safety standards
- 🐾 Discover Yowieworld.com to see your Yowie collectibles come alive!







**Invest for success in Yowie today!**

