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Presentation at 17th AgFood Virtual Conference

Melbourne, 29 April 2020: Bubs Australia Limited (ASX: BUB) (the Company) advises that Bubs Founder and Chief Executive Officer, Kristy Carr presented at the 17th AgFood Virtual Conference today.

The Presentation is attached.

Jay Stephenson
Company Secretary



Growing Generation Joy



17th AgFood Virtual Conference
Resilience & Comparative Advantages

29 April 2020

ASX: BUB
Bubs Australia





Very Best



Creating new generations of
happy, healthy bubs



Honesty



Playfulness



Goodness

AGENDA

01 | FINANCIAL UPDATE

02 | BUSINESS UPDATE

03 | PRODUCT & BRAND UPDATE

04 | STRATEGIC AGILITY



01

FINANCIAL UPDATE



FINANCIAL HIGHLIGHTS

Record revenue results and positive quarterly operating cashflow

ASX 300
Bubs Australia

Q3 YTD FY20 results were driven by the strong performance of Bubs® infant formula in all retail channels and regions.

\$19.7m

Q3 Group Gross Revenue

+67%

prior corresponding period

\$48.5m

Q3 YTD FY20 Group Gross Revenue

+137%

Infant Formula Gross Revenue growth pcp.

+104%

Direct sales to China growth pcp.

Positive quarterly operating cashflow

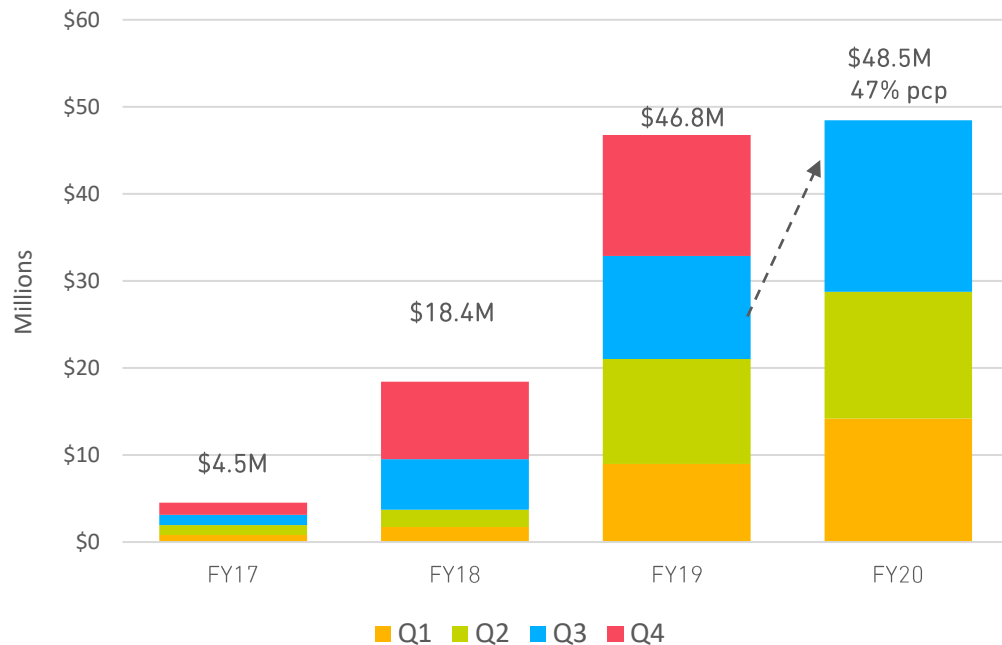
\$2.3m

Cash reserves as at 31 March 2020

\$36.4m

GROUP REVENUE

Quarterly Gross Sales Revenue



Key Highlights

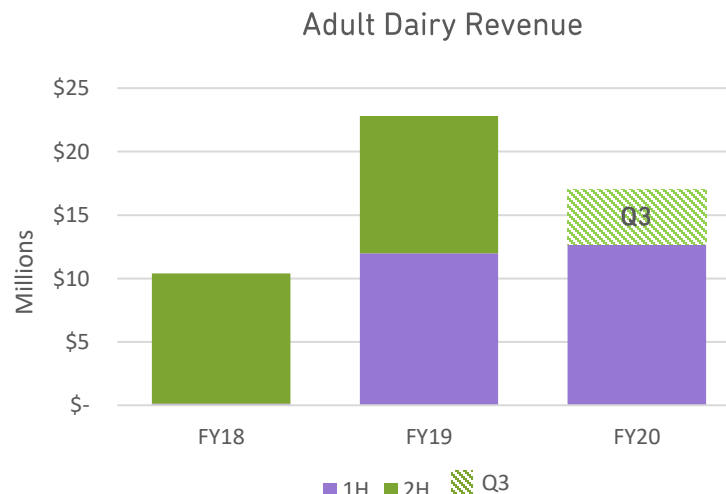
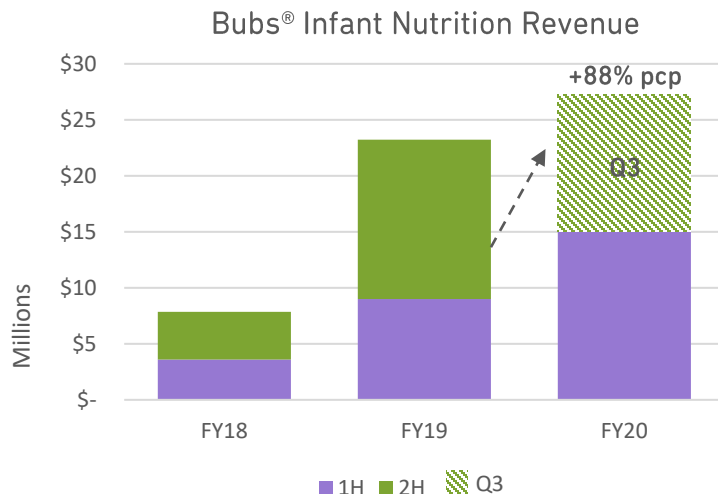
- Consistent quarterly growth since listing in 2017.
- Record gross revenue in Q3 FY20 \$19.7m; **+67% pcp and +36% QoQ.**
- Bubs® Infant Formula remains the key driver; **+137% pcp and +33% QoQ.**
- Stronger forecasted demand for infant formula is expected in Q4 FY20 across all distribution Channels.
- New product launches planned to build on existing foundations to drive incremental revenue streams in Q4.

MULTIPLE REVENUE STREAMS



Q3 YTD FY20 Gross Revenue by Product Group.

- Q3 YTD FY20 growth predominantly driven by sales of Bubs® infant formula products, delivering the highest margin within group portfolio:
 - Infant Formula: +101% pcp
 - Baby Food: +22% pcp
- Caprilac® refresh was delayed by approximately 4 weeks to the end of March due to prioritized production of Bubs® Goat Milk Infant Formula range in Q3. The entire Adult Dairy portfolio growth profile was impeded by the loss-making deletion of yoghurt products and disposal of Coach House Dairy® brand assets:
 - Adult Goat Milk Powder: +8% pcp
 - Fresh Milk/Yoghurt: -45% pcp



02

BUSINESS UPDATE



BUBS AUSTRALIA ROADMAP

Our key competitive advantages remain a strong foundation for comparative advantage & resilience.



EXCLUSIVE GOAT MILK SUPPLY

AUSTRALIA
~65% total market

NEW ZEALAND
~25% total market

Infant Formula +
Fresh Milk products

Adult Milk Powder
products

Approx. **23,000** herd producing
>20m Lt fresh milk that is converted
to 1,750MT powder, estimated to be
circa. **7.5%**¹ of the global supply.



¹Sources: Beth A Miller and Christopher P Lu,
"Current Status of global dairy goat production: an
overview", Asian- Australasian Journal of Animal
Sciences, 2019, Euromonitor, Expert Interviews.

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SECURE MANUFACTURING

PARTNERS

DELORAINE



One-step processing
secure supply
agreement for goat
milk nutritional
powder conversion.



Secure access to
organic cow milk.



100% ownership of
CNCA canning facility.
Capacity: **10 million**
tins per annum.

Current Factory
Utilisation²: ~30%



²Based on 24hrs / 5 days pw shifts.

DIFFERENTIATED DAIRY PRODUCTS

AU RETAIL
& CBEC³

GENERAL
TRADE⁴

Infant Formula



Junior Nutrition



Adult Goat Dairy



³China Cross-border eCommerce

⁴China physical retail

DIVERSIFIED MARKETS

AUSTRALIA

Strong market coverage in Top 4
Baby Formula retailers.



CHINA

Significant strategic partnerships
in CBEC and General Trade.



VIETNAM

TVV Distribution
Agreement + 135
BiboMart stores.

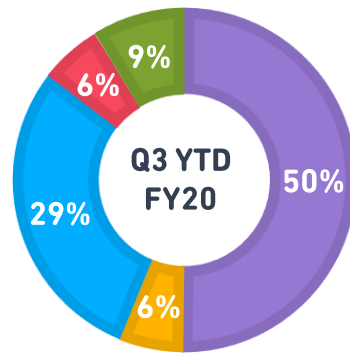
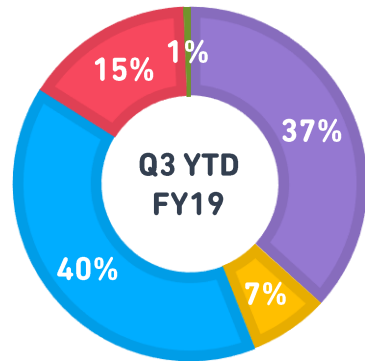
HONG KONG

WeMe
Distribution
Agreement.

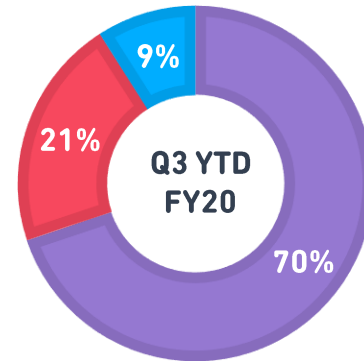
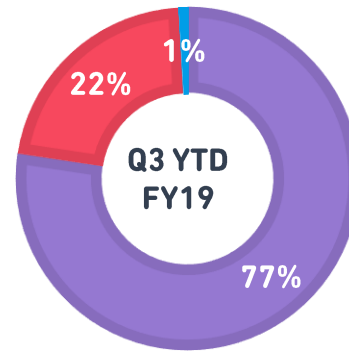
COMPARATIVE STRENGTH **PORTFOLIO & MARKETS** *bübs*[®]

Strengthened focus within higher margin Infant Formula product group across high growth Goat & the Cow milk market. Growth driven from domestic, China & Vietnam export markets.

Gross Revenue Share by Product Group.



Gross Revenue Share by Region.



■ Infant Formula
■ Adult powder
■ Other

■ Baby Organic Food
■ Fresh Dairy Products

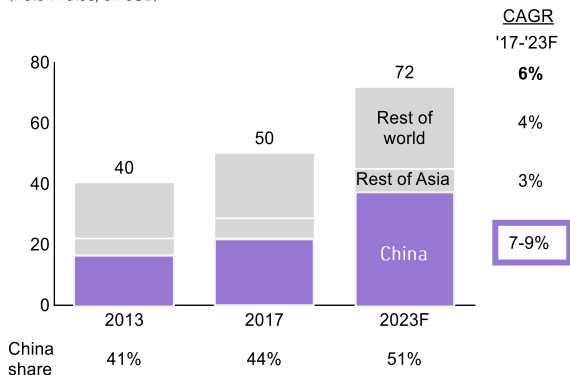
■ Australia ■ China ■ Emerging International Markets

CHINA THE LARGEST IMF MARKET IN THE WORLD

And Goat & Organic Cow are the two highest growth segments across the total IMF market.

China is largest and fastest growing IMF market

Global IMF consumption by major regions
(Retail Value, bn USD)



China IMF growth drivers

Penetration: higher adoption of IMF (esp. in low tier cities), driven by increasing disposable income and education on IMF benefits

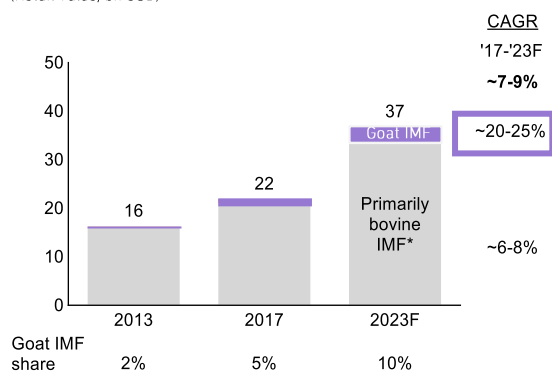
Per capita consumption: driven by recognized convenience and nutrition benefits of IMF

Average Selling Price: growth from premiumization

Note: *Also includes sheep, plant and other non-goat IMF products; RMB:USD exchange rate used is 6.5
Source: Euromonitor; Lit research; Expert interview; Analyst reports; Bain analysis

Goat IMF growing 3x faster than traditional IMF

China IMF consumption by type
(Retail Value, bn USD)



China goat IMF growth drivers

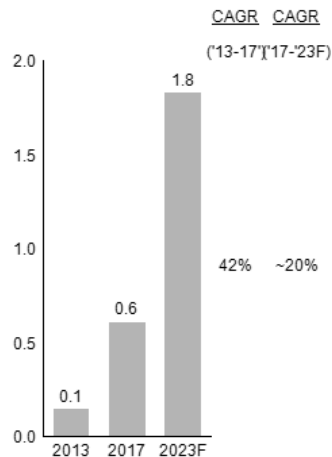
Premiumization: increasing number of premium consumers

Win rate: increasing win / conversion rate vs cow IMF

Average Selling Price: growth in prices from strong demand and constrained supply

Organic Milk IMF Continues High Growth

China organic IMF market size
bn USD



03

PRODUCT & BRAND UPDATE



NEW PRODUCT INNOVATION



Q4 Launches now all produced.

Entry into growing Junior Nutrition category, refresh of Caprilac® Adult Goat Milk Powder and range extension for China Deloraine® range into offline channel.



Caprilac® brand refresh.

Bubs® Junior Nutrition range launching May 2020 in Australian retailers and China CBEC with CCIC approved China label product with Lactoferrin to launch into Mother and Baby stores (3yr+ does not require SAMR registration).



Deloraine® Range Extensions, certified for China General Trade.

BRAND PORTFOLIO EXPANSION



With the Bubs® Junior range and expansion of the Adult Goat Dairy portfolio our product offering now caters for all stages of development, feeding occasions and dietary requirements, from infants to children, through to younger adults and seniors.

Organic Baby Food, Cereals & Toddler Snacks



Organic toddler snacks to extend the consumer lifecycle beyond 1,000 days.

Complete range of premium organic baby food and cereal products.



Infant Milk Formula & Junior Nutrition



Super-premium formulation - world's only infant formula & junior milk to source 100% Australian goat milk.

Australia's first Organic 365 days Grass Fed Formula with Pre and Probiotics.



Adult Goat Dairy Products



Australia's leading adult goat milk brand.

Science-based formulations for specific health needs.



05

STRATEGIC AGILITY



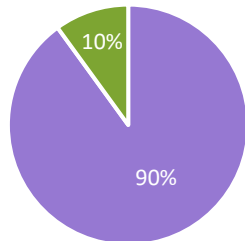
RESILIENCE IN AUSTRALIAN SUPPLY CHAIN

Driving our comparative advantage and responding to shifting consumer trends.



Consumer Growth Drivers

INCREASING DEMAND FOR AUSTRALIAN MADE

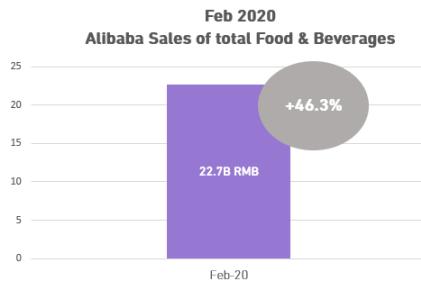


■ Agree ■ Disagree

(Source Roy Morgan December 2019)



GROWING CHINA CONSUMER DEMAND FOR DAIRY FOOD



Source: Alibaba Data Feb 2020 v Feb 2019

Increasing Consumer Demand for Australian Made

Was already evident just prior to Cov19, with 90% of Australians aged +14 agreeing purchase preference for Australian Made. With Covid19, rise of Facebook Groups supporting Australian Made evidence of greater consumer shift.

+136% YOY Growth China Dairy Food Alibaba

Sales due to growing fears and demand for nutritional food products.

Bubs Comparative Advantages

AUSTRALIAN MADE



100% Owned manufacturing facility.

Ability to quickly move to greater production capacity with doubling of shifts.

AUSTRALIAN SOURCED



~65% Australian Goat Herd with secure supply. 20,000 milking goats across both Australia and New Zealand

AUSTRALIAN OWNED



ASX: BUB
Bubs Australia

Founded in 2006
with true Australian Heritage.

ASX Listed Company since 2017.

COMPARATIVE ADVANTAGE GO TO MARKET



Leveraging strength in digital channels with comparative advantage in health & wellness products.

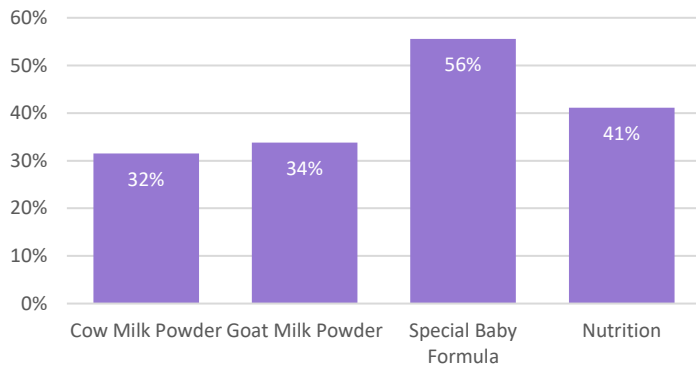
Total China Baby Food Online Sales

#1 Fastest Growing Category with +35.2% YOY Growth and Online Nutritional Category +41% YOY Growth.

Growth By Segments within Baby Category

Total Online China Sales Year on Year Growth Jan – Mar 2020

China E-commerce Platform (Tmall, Taobao, JD, Koala, Suning, Jumei, Gome)

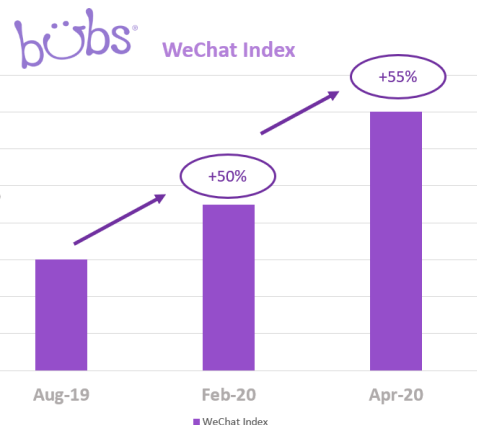


Source: ECDataway Data Mar 2020.

Covid19 Responded with greater focus Investment across our Digital Channels



Driving greater digital activity and online traffic



DEMONSTRATING AGILITY PEOPLE & CULTURE

Strength in our key relationships across all external and internal stakeholders, from our Bubs Organic local farmers, our Bubs Australian Goat Dairy Farmers, our Bubs supply partners through to all our Bubs Family.



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Growing **Generation Joy**