

Market Eye Investor Conference

Presentation by Laura McBain, Managing Director

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Introduction to Longtable Group Limited

Longtable has curated a house of premium brands in lifestyle food and beverage with a focus on consumer demand for high quality, nutritious, premium food and beverages



Melbourne's only inner city micro dairy offering a range of premium milk, butter, cream and yogurts to selected restaurants, cafes and independent retailers



The largest biodynamic-organic dairy brand in Australia, offering a range of certified biodynamic organic cheese, milk, yogurt and butter for Australia and export



The iconic food brand based in the Barossa Valley. Loved for 40 years by Australian's with an expanding range of food products in entertaining and fresh meals

Longtable Group – Manufacturing sites

Longtable owns facilities with available capacity to support the growth and development of its brands.



Maggie Beer Kitchens - Tanunda, Barossa Valley, SA

- Recent refit and expansion of facilities
- Produces range of pates, fruit pastes, jams, sauces,
- Currently at approx. 60% capacity



Paris Creek Farms - Organic Dairy – Paris Creek, Adelaide Hills, SA

- Recent refit and expansion to allow up to 30 million litres of milk to be processed
- New ESL milk line to complement yogurt, cream, cheese and butter facilities
- Currently at approx. 45% capacity



Saint David Dairy – Fitzroy, Victoria

- Specialised, small footprint micro dairy located near Brunswick St, Fitzroy.
- Produces a range of milk, butter, yogurt and cream
- Currently operating at approx. 70% capacity

STRONG, DYNAMIC, CAPABLE LEADERSHIP TEAM

An experienced executive team has been appointed to build a premium food group



LAURA MCBAIN
Managing Director

Laura was formerly the CEO and Managing Director of Bellamy's Australia Ltd from 2014 to 2017, prior to which she was CEO/General Manager of the Tasmanian-based company since 2007.



MICHAEL CARAGOUNIS
CFO

Michael has experience with ASX listed organisations including Murray Goulburn, Wesfarmers, Pacific Brands and Amcor.



CHANTALE MILLARD
CEO – South Australia

Chantale has been CEO of Maggie Beer Products since 2016. Prior to that, Chantale was CFO of an Adelaide manufacturing company and Finance Director of a Melbourne based company overseeing its Australian and Asian based operations.



BETHANEY GEORGE
GM Sales

Beth has 14 years of sales experience across blue chip FMCG companies. She was most recently General Manager Sales for Patties Foods.



KATRINA RIGONI
Marketing Manager

Katrina has extensive experience in FMCG in particular within the confectionery, and sports supplements across both mid-sized and global ASX listed companies.



ROD LYON
Director of Organic Milk and Nutritional Products, GM St David Dairy (Acting)

Rod was the former Operations Manager of Bellamy's Organic, responsible for the production of organic nutritional powder, baby foods and cereals for Australia and export.

H1 FY19: Executing on our growth strategy

H2 FY19: Benefits flowing from business transition

OVERVIEW OF H1 FY19

ST DAVID DAIRY

- Acquisition completed 1 August 2018 - 5 months' results in H1 FY19
- Top line growth exceeding internal expectations and addressing near term input cost inflation

PARIS CREEK FARMS

- Rebranding complete and rollout into Eastern seaboard commenced; currently in 500+ stores in Eastern Sea Board... well positioned for growth
- Product and channel repositioning has taken longer than initially anticipated... a refined strategy for revenue growth from new branded products and cost base improvements is expected to drive improved performance

MAGGIE BEER

- Strong turnaround in operating performance from new categories, major retailer sales, and active cost out program, delivering strong EBITDA result
- Entered final negotiations to acquire the remaining 52% for \$10m, to round out Longtable's premium food brand portfolio

CORPORATE

- Complete executive team now in place – highly experienced and well credentialed to drive the growth strategy of Longtable and deliver on the opportunities we see ahead
- Building a premium food group having carefully acquired two high quality businesses, with acquisition of remaining MBP shares planned

Normalised Portfolio results H1 FY19

\$000's	Longtable	St David Dairy	Paris Creek	Corporate	Maggie Beer ¹
Net revenue	23,159	3,597	8,015		11,547
Gross Profit	10,015	2,192	3,387		4,436
Gross Profit %	43.2%	61.0%	42.3%		38.4%
EBITDA (Trading)	(2,088)	692	(1,802)	(2,460)	1,482
EBITDA (Statutory)	(3,053)	596	(2,671)	(2,460)	1,482
NPAT	(3,901)	513	(3,185)	(2,026)	797

¹MBP's Gross Profit includes fully absorbed costs such as direct labour (P&L by Function) hence lower GP% relative to the other Longtable businesses (P&L by Nature)

Saint David Dairy

- Sales growth trajectory ahead of expectations
- Addressing higher near term input costs – cream and overtime labour – that impacted H1 margin

Paris Creek Farms

- Revenue reflects business transition during the rebranding period
 - commenced Metcash rollout adding a further 200 Metcash stores since December
 - total national store count is now more than 1000 stores and growing across 3 key supermarket chains
- Expense increases predominantly related to unrecovered labour and higher marketing investment in support of the brand product refresh strategy
- Benefits from business transition to start flowing in late H2 as new distribution channels start to drive sales uplift

Maggie Beer Products

- Turnaround due to new product sales and new retailers alongside sustainable cost out initiatives

Corporate

- Investment in key staff and group office costs to support growth strategy, plus equity accounted portion of Maggie Beer Products' (MBP) profit

H1 FY19: Executing on our growth strategy

H2 FY19: Benefits flowing from business transition

Key priorities for H2 FY19

The future is very exciting and Longtable looks forward to building opportunities and unlocking value in its existing brands



FULLY INTEGRATE MAGGIE BEER PRODUCTS

- Focus on the opportunities that can be activated quickly including sales team integration, new product development, and manufacturing



GROW DISTRIBUTION

- Focus on growing distribution points for each brand as a primary revenue driver across entire portfolio



LEVERAGE STRATEGIC ADVANTAGE

- Harness manufacturing synergies across the businesses
- Unlock value of strong executive team



INNOVATE AND CREATE

- Marketing campaigns to deliver awareness, matching costs to estimated growth profile
- Actively prepare for launch in wellness and nutrition for value added dairy

UNLOCKING VALUE IN OUR BRANDS

Saint David Dairy strategy to expand rapidly

Growing a premium brand into new markets.

<u>What?</u>	<u>Why?</u>	<u>Status</u>
Expand in Melbourne	Leverage existing infrastructure to reach more customers in Melbourne and grow brand	Underway. Continued organic growth in customer numbers to be enhanced by recent appointment of brand ambassador
Saint David Dairy Sydney	Grow revenue by expanding opportunity in Sydney with locally sourced milk and local facilities	In development. A new Sydney site is being scoped with Fitzroy style footprint. Sydney distributor performing well-growing customers and basket size – which will underpin expansion
Saint David Dairy <New City>	Grow revenue and expand brand awareness with launch of Saint David Dairy business in new cities	To be commenced in FY20. City/Areas to be selected will be those most aligned to the brand attributes of Saint David – Boutique, urban, single source, local.
New product development	Build product offering with “single source” products to complement offering to restaurants and cafes	In development. Offers would include plant based milk alternatives to complement our existing range of dairy products.

Paris Creek Farms executing against strategy

Implementing frameworks to deliver on growth opportunities with Australia's largest biodynamic organic dairy business

<u>What?</u>	<u>Why?</u>	<u>Status</u>
Brand Relaunch	To attract broader national audience as a 100% Biodynamic Organic brand	Launch Complete. Continue Marketing activities to drive trial by new consumers
Product Relaunch	New innovative products developed in all categories to drive retailer and consumer interest	Implemented. Good success with cheese and yogurt. Reversion to traditional 1L and 2L milk bottles is positive.
Pricing Reset	Implement pricing reset across the entire range to reflect the brands premium positioning	Implemented. Price sticking but opportunity to improve volume with minor adjustments
Market opportunity	Build distribution by engaging Metcash and independent retailers to drive national penetration	Underway. Slower than expected rollout over Christmas/January period, with momentum now improving.
Milk Pool growth	Sustainably grow the biodynamic milk pool in line with demand expectations	Underway. Milk supply increased by 17% to 6.8m litres with existing farmer network. New farms identified to increase in line with demand

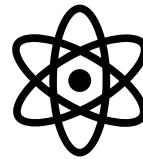
Maggie Beer: Growth strategy underpinning acquisition

Longtable's growth strategy for Maggie Beer Products focuses on leveraging the strong brand equity of the brand to introduce new customers that believe in not just Maggie but all that Maggie Beer stands for... inspirational, authentic and gracious



Build on Foundations

- Continue to build on foundations of entertaining dining solutions
- Deliver solutions for major Australian retailers in their entertaining space
- Increase distribution in Australian independent retailers
- Rationalisation of non-core existing SKU's



Leverage brand equity

- Brand and packaging changes to deeply connect brand with Maggie
- Build deeper connections with a younger audience
- Better utilise media library



Innovation and Product Development

- Introduce new product ranges that leverage existing distribution channels
- Increase product awareness with stronger branding activities related to Maggie
- Build a portfolio of wellness products inspired by recent Maggie for Life book



Key Developments in H2 FY 19

The last few months have seen some exciting developments...

- Maggie Beer products remains **on track to deliver** FY 19 EBITDA of \$1.7 - \$1.9m
- Maggie Beer Products **new Cheese range** - Ash Brie and Cheddar to be launched in May in Woolworths in over 500 stores:
 - These 2 additional products will be **incremental to existing sales** of cheese of \$1.5m in 1H FY 19;
- Synergies in the Group – new cheese products for MBP to be made at Paris Creek Farms;
- **41% increase** in customer numbers at Saint David Dairy delivering 25% yoy revenue growth;
- Saint David Dairy on track to deliver **profitable second half results**;
- Commenced **exports of Paris Creek Farms range** to new Singapore customer Open Taste
- **Cost out program** at Paris Creek Farms is ongoing
- In discussion for export opportunities of **Paris Creek Farms milk and yogurts for China**
- **Development of nutritional Biodynamic-Organic Milk** range is continuing with first trials before 30 June

Thankyou

