



BELL POTTER HOME GROWN CONFERENCE
Cobram Estate Olives Limited
ACN 115 131 667



16 September 2021

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Agenda

1. Overview of business
2. Growth strategy,
Grove assets and
water
3. Questions

Cobram Estate Olives - From Tree to Table

Growing and marketing olive goodness in Australia and the USA



							
NURSERY	GROVE OPERATIONS	HARVESTING TECHNOLOGY	PROCESSING & STORAGE	LABORATORY & R&D	BOTTLING & DISTRIBUTION	EXTRA VIRGIN OLIVE OILS	WELLNESS PRODUCTS
							
							
							

Group Highlights – FY2021

 **16.05** MILLION

litres 2021 Australian olive oil crop yield

1,972 SHAREHOLDERS AS
OF 25 AUGUST 2021

up from 850 prior to ASX listing on 11 August 2021



71% ESTIMATED
SHARE

of Australia's national olive oil crop in 2021

STRONG GROWTH

OF USA PACKAGED GOODS SALES

45% MARKET SHARE OF THE
EXTRA VIRGIN OLIVE OIL
CATEGORY IN AUSTRALIA

(Cobram Estate® + Red Island®)

(Source: IRI Scan data, Australia Grocery Weighted, Total Supermarket, FY2021, accessed August 2021)

331 HECTARES
OF OLIVE GROVES

planted in Australia

110 HECTARES
OF OLIVE GROVES

developed & planted in USA



8.5% COBRAM
ESTATE®

brand global sales growth

Financial Highlights – FY2021

Australian olive oil division FY2021 Two-Year
Rolling Average EBITDA - Normalised*:

\$43.7 MILLION

FY2020: \$32.2 million

Group FY2021 Two-Year Rolling
Average EBITDA - Normalised*:

\$33.0 MILLION

FY2020: \$19.1 million

Group statutory FY2021 EBITDA:

\$70.3 MILLION

FY2020: (\$19.7 million)

Global olive oil sales FY2021:

\$140.0 MILLION

FY2020: \$140.7 million

Cash generated from operations FY2021:

\$22.1 MILLION

FY2020: \$13.0 million

Average water price paid in FY2021:

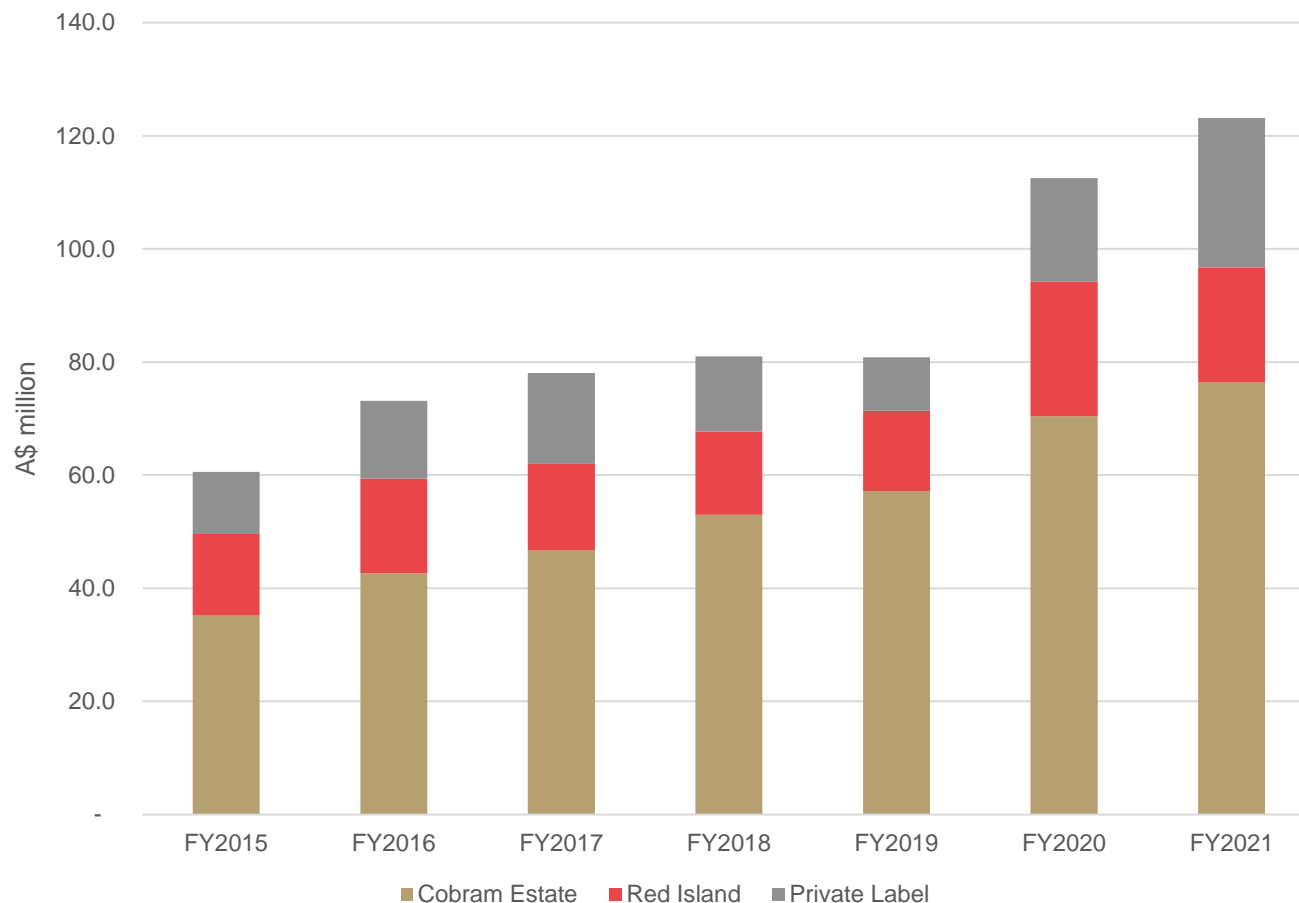
\$168 PER
MEGALITRE

FY2020: \$643 per megalitre
Long-term average: \$177 per megalitre

Strong growth in packaged olive oil sales despite lower oil supply

Packaged good sales growth of 9.5% in FY2021

Global olive oil sales for Cobram Estate® and Red Island®
branded products and Private Label products



Packaged goods showing continued strong growth

- Sales of packaged consumer goods including Cobram Estate® and Red Island® branded products plus private label products grew by 9.5% from \$112.5 million in FY2020 to \$123.2 million in FY2021.

Group revenue flat vs FY2020 due to lower oil supply

- Overall sales by the company were restricted by the smaller Australian olive oil crop in 2020 (the oil from which was sold in FY2021), with total sales revenue of \$140.0 million in FY2021 (FY2020: \$140.7 million).
- Bulk olive oil sales (>20L unit size) were particularly impacted by the lower availability of oil, and despite delivering a higher price per litre, group bulk sales declined by \$8.4 million versus the prior year.

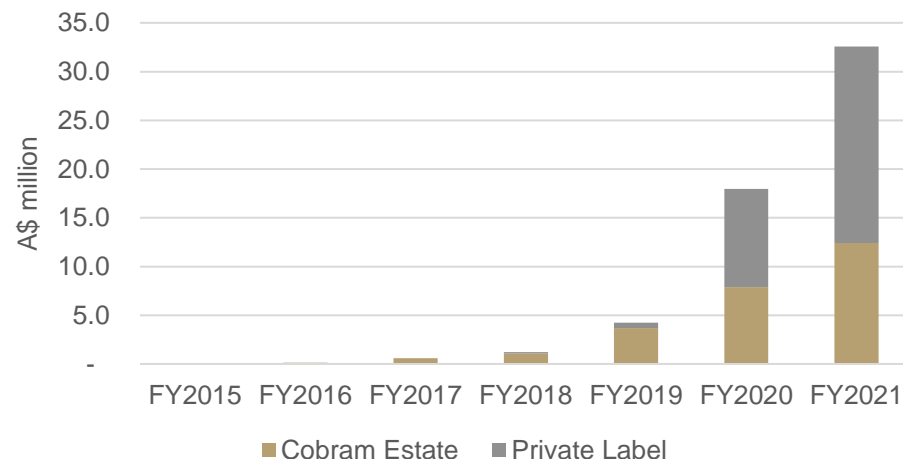
Australian olive oil sales limited to smaller 2020 olive crop

- Due to the smaller olive oil crop in 2020, the company achieved sales of \$98.1 million for the Australian business in FY2021, a 7.3% decline in total olive oil sales compared to FY2020.
- The decline in olive oil availability particularly affected private label, bulk, and Red Island® tins sales.
- Despite the overall decline in sales by the Australian business, the company prioritised sales of Cobram Estate® branded products and achieved growth in sales of 2.3% for the Cobram Estate® brand in Australia in FY2021, with sales of \$64.0 million.

USA packaged goods sales up in FY2021

Cobram Estate® and private label sales the key growth drivers

Evolution of packaged olive oil sales by Cobram Estate Olives' USA business



USA selected key retail accounts



In line with the Company's strategy to focus on the sale of Cobram Estate® branded and Private Label packaged goods, combined sales of these products reached \$32.6 million in FY2021, up \$14.6 million vs FY2020.

- Sales of Private Label olive oil accounted for 55% of group sales by value in FY2021, followed by bulk sales (11%) and Cobram Estate® branded extra virgin olive oils (34%).
- Short-term growth in the USA is likely to be constrained due to oil availability. Long-term growth will be supported by our own maturing groves and future plantings.

Cobram Estate® branded sales totalled \$12.4 million, an increase of 57% on the prior year

- Cobram Estate® was the #10 ranked olive oil brand in USA supermarkets (excluding Private Label) with an estimated 1.3% market share of total olive oil sales by value for the 12-month period to July 11th, 2021. Significantly, Cobram Estate® was the #2 brand of 100% California extra virgin olive oil (excluding Private Label) in USA supermarkets, and the fastest growing mainstream brand in the olive oil category, with sales growth of 62.7% for the 12-months to July 11th, 2021.*
- In line with growth in sales, distribution of Cobram Estate® grew substantially between 2017 and July 2021. For the 12-months to July 2021, Cobram Estate® products were sold in over 13,100 USA stores.*



Growth strategy,
Grove assets and
water

Growth Strategy

Four core pillars of future growth

1

Increasing supply from our Australian olive groves through new plantings and efficiency gains

39% of the company's total Australian plantings are not fully mature and are not yet producing mature yields including 16% of total Australian plantings yet to produce a harvested crop

2

Growing our vertically integrated business in the USA

CBO is encouraged by the immense opportunity in the USA to replicate its Australian business in the medium to long term. The key focus is increasing the supply pipeline of Californian produced olive oil to drive packaged goods sales at retail.

3

Growing branded sales and improving the Net Price per litre for its extra virgin olive oil

Continued premiumisation and differentiation of the company's brands globally whilst never compromising consumer trust and/or value proposition

4

Value-adding our olive oil by-products

Monetising the substantial investment that has already occurred in Cobram Estate Olives' Wellness division and its Wellgrove® brand

Australian Operations

Completion of Boort grove redevelopment

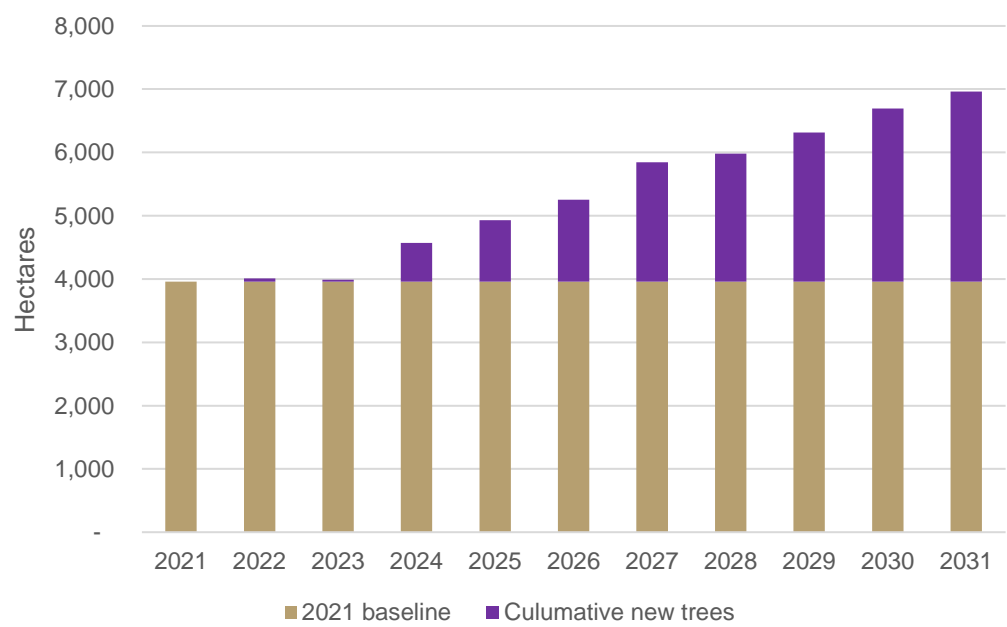
Boort grove redevelopment

- In 2021 we completed the redevelopment of the Boort olive grove, with 331 hectares planted with 118,000 new trees in Autumn 2021.
- Over the past six years the company has replanted 2,114 hectares of the Boort grove with a total of 754,995 new trees, replacing under-performing olive varieties originally planted by Timbercorp Limited.
- As a result of these replanting's, the Boort grove will reach fully-mature yields in 2028 at which time it is primed to become our highest producing grove.

Boort grove redevelopment images



Forecast increase in mature trees - Australia



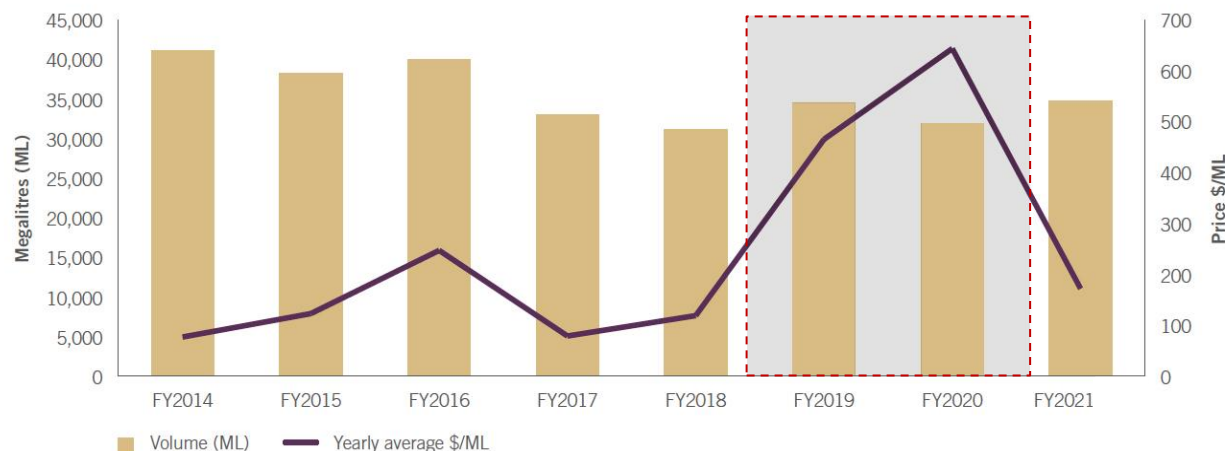
Current age profile of the company's olive trees alongside average oil yield per year of age



Water pricing in Australia returned to below historical average

Average water price paid by Cobram Estate Olives - \$168 per megalitre in FY2021

Cobram Estate Olives annual Temporary Water purchases and average annual price



Water strategy

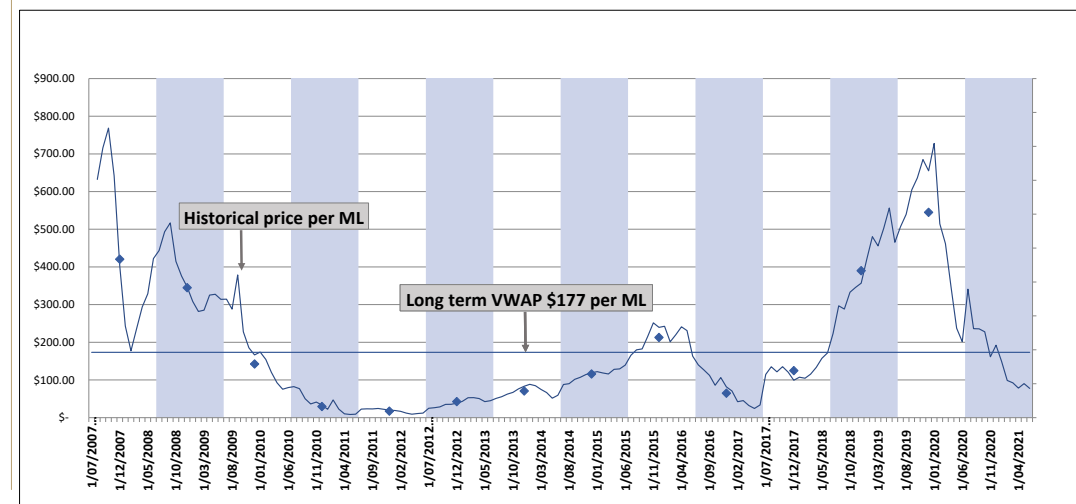
- Cobram Estate Olives sources its water in Australia from multiple points of the Southern Murray Darling Basin connected system including the Murray, Goulburn and Murrumbidgee rivers.
- We do not own entitlement water (permanent water) and since 2010 have sourced water from the allocation market (temporary water) providing flexibility with its purchases occurring throughout the year, from multiple counterparties.
- Over the period FY2014 to FY2021, the company purchased an average of 35.8 gigalitres of water per annum.
- Whilst seasonal prices fluctuated over this period as the chart above indicates, the company has paid a weighted average price of \$233 per megalitre over the last 8 years.
- In FY2021, the company paid an average price of \$168 per megalitre for water purchased.

Southern Murray Darling Basin – current storage levels
Total and key storages

A\$ million	Full %	
	18 Aug 2021	19 Aug 2020
Lake Eildon	72%	53%
Lake Hume	91%	55%
Lake Dartmouth	72%	54%
Murrumbidgee catchment	93%	72%
Southern Basin total	80%	57%

Source: <https://www.mdba.gov.au/water-management/murray-darling-reports-data/water-in-storages>

Southern Murray Darling Basin - historical water price per ML (2007-2021)



Source: H2OX, 2021

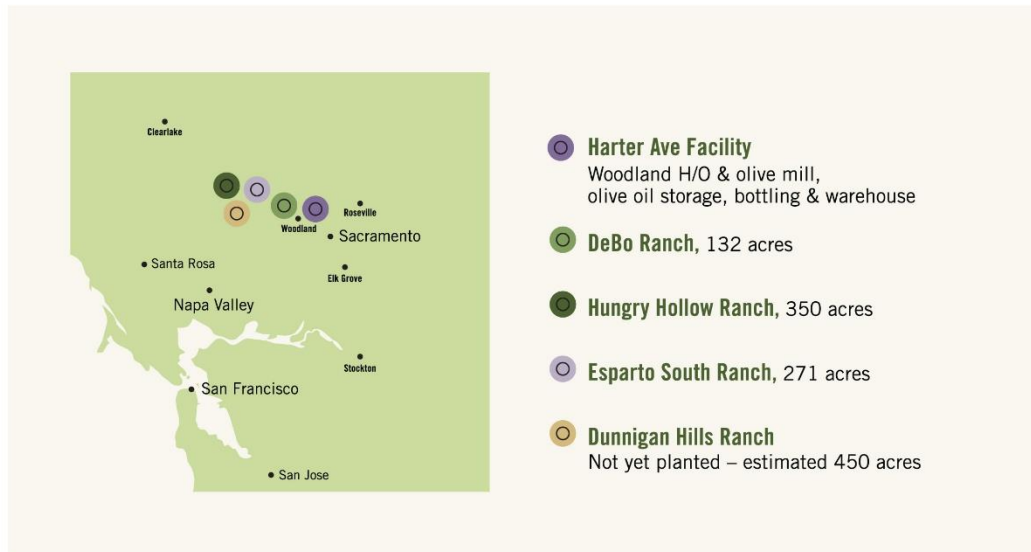
USA Operations

Development of Esparto South Ranch

USA grove development

- The company developed 110 hectares of new olive groves on the Esparto South ranch near Woodland, California, with 53,000 new trees planted in Spring 2021.
- Developed using the same Oliv.iQ® principles adopted by the company in Australia, the grove contains a number of our key olive varieties including picual, coratina and arbequina.
- This brings total company plantings in the USA to 305 hectares / 149,000 trees.

Cobram Estate Olives USA operations



Esparto South Ranch - grove redevelopment images





Thank-you!