OVER 2 MILLION AUSTRALIANS ARE EMPLOYED IN FOOD RELATED INDUSTRIES – MORE THAN IN ANY OTHER INDUSTRY
CONSUMER MARKETS

RETAIL

$115 Billion

+ 

FOODSERVICE

$57 Billion

$172 Billion
FOODSERVICE CONTRIBUTES MORE TO THE AUSTRALIAN ECONOMY THAN FOOD RETAILING
In the last two decades Australians have made eating out a way of life. Nearly two thirds of the population over the age of fourteen eat out at least once a month.
THE FOODSERVICE DOLLAR

THE PERCENTAGE OF AUSTRALIAN HOUSEHOLDS’ TOTAL FOOD & NON-ALCOHOLIC BEVERAGE BUDGET SPENT ON EATING OUT OF HOME

34.3 CENTS IN THE DOLLAR
EATING OUT A WAY OF LIFE FOR AUSTRALIANS IN CITIES AND IN COUNTRY TOWNS

AUSTRALIANS EAT OUT FOR BREAKFAST, BRUNCH, LUNCH & DINNER

EVEN DURING UNCERTAIN ECONOMIC TIMES...AUSTRALIANS TRADE DOWN IN CHOICE OF OUTLET
AUSTRALIAN FOODSERVICE MARKET

- UNIQUE
- DYNAMIC
- VIBRANT
- DIVERSIFIED
- EVOLVING

PLETHORA OF CUISINES
FASTEST CHANGING FOOD MARKET
A MARKET OF INDEPENDENT OUTLETS
HUGE VARIETY OF EATING OUT OPTIONS
CONTINUAL GROWTH
OUR NATIONAL FOOD PALATE IS BOLD AND OPEN

NO REAL NATIONAL CUISINE
SIX FOODSERVICE REGIONS

1. NEW SOUTH WALES
   • Sydney centric...diverse & dynamic
   • Many other large urban areas & cities, wine districts, holiday destinations

2. VICTORIA
   • Melbourne still the coffee capital of Australia
   • Both domestic as well as international tourism critical to regional Victoria and its foodservice market
   • More of a Southern European dining scene in Melbourne...the Greeks & Italians
3. QUEENSLAND

- Brisbane has developed into a sophisticated dining out market in the past two decades
- Regional Queensland still a *steak & seafood society*

4. WESTERN AUSTRALIA

- Perth...an *isolated ‘island’*
- Supply problems linger
- The institutional sector ahead of the game
- A huge tourist region
5. SOUTH AUSTRALIA
• Significant supplier of fresh produce
• Still largely reigned by **English & German** food traditions
• Adelaide is not a strong tourist destination in itself

6. NORTHERN TERRITORY
• **Closer to Asia** than the rest of Australia
• All about casual dining
• Problem of availability and continuity of supply
COMMERCIAL OUTLETS 2017

63,099 OUTLETS

COMMERCIAL SECTOR

<table>
<thead>
<tr>
<th>SHARE OF TOTAL OUTLETS</th>
<th>%</th>
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<tr>
<td>76</td>
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ANNUAL GROWTH RATE 2016 - 17

| %  |
| 3.5 |
INSTITUTIONAL OUTLETS 2017

INSTITUTIONAL SECTOR

<table>
<thead>
<tr>
<th>SHARE OF TOTAL OUTLETS</th>
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<td>ANNUAL GROWTH RATE 2016 - 17</td>
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### FOODSERVICE MARKET SIZE

<table>
<thead>
<tr>
<th>Title</th>
<th>TOTAL MARKET SIZE BY VOLUME</th>
<th>Units</th>
<th>Kilos</th>
<th>Detail</th>
<th>2.9 Billion</th>
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<table>
<thead>
<tr>
<th>Title</th>
<th>TOTAL MARKET VALUE</th>
<th>Units</th>
<th>Wholesale Price in AUD</th>
<th>Detail</th>
<th>$19 Billion</th>
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Main General Distributors' Market Share

- General Distributors: 34%
- Other Distribution Channels: 66%

$6.4 Billion
AUSTRALIANS TRADING DOWN TO MORE CASUAL EATING OUT EXPERIENCES
CHEFS ARE DRIVEN BY...

- the need to offer customers a different eating out experience
- a growing concern over healthy eating
- an increasingly discerning foodservice consumer
- ...the availability of fresh produce
the lack of skilled staff both front & back-of-house

rising food costs

rising utility costs

strong competition
Fine Dining
Only 2-3% of Australia’s total number of restaurants

All foodstuffs made from scratch

Working with sophisticated latest equipment

Passion for the ultimate fresh produce
FULL SERVICE RESTAURANTS

Upper Middle/Middle/Casual—replacing fine dining/growing

Pressure to differentiate themselves from competitors – signature dishes

Demanding customers requesting menu changes
FULL SERVICE RESTAURANTS

Lower End Suburban & Regional – Plateaued but still vibrant

Less pressure to vary menus – most of the time making their standard fare

Chef often the owner – carries the financial burden
Not usually a trained chef

Less foodstuffs made-from-scratch

Many menu items made in advance

Coffee no longer the product to rely on
Pubs steadily grown in popularity over the past three years – the ‘in’ channel

Many pubs have become gastro pubs
Functions – private & business - greater importance than the dining room

Great focus on the breakfast meal segment – little on dinner in comparison
INSTITUTIONAL KITCHENS

- **Budgetary constraints** much greater than in the commercial sector
- Majority of back-of-house staff are *cooks & kitchen hands*
- **Bulk food offering** in most institutions – large food quantities & simpler menus
FOODSERVICE EQUIPMENT

$5 Billion

- Preparation Equipment
- Refrigeration Equipment
- Cooking Equipment
- Washing Equipment
FOODSERVICE EQUIPMENT

1.4 million units installed
### ANNUAL COFFEE & TEA CONSUMPTION

<table>
<thead>
<tr>
<th>Number of Cups Millions</th>
<th>Coffee Away from Home</th>
<th>Coffee At Home</th>
<th>Coffee At Work</th>
<th>Total</th>
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<tbody>
<tr>
<td>Instant/Soluble</td>
<td>341</td>
<td>2,927</td>
<td>705</td>
<td>3,973</td>
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<tr>
<td>Roast &amp; Ground</td>
<td>1,239</td>
<td>4,096</td>
<td>1,634</td>
<td>6,969</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,580</strong></td>
<td><strong>7,023</strong></td>
<td><strong>2,339</strong></td>
<td><strong>10,942</strong></td>
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<table>
<thead>
<tr>
<th>Number of Cups Millions</th>
<th>Tea Away from Home</th>
<th>Tea At Home</th>
<th>Tea At Work</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tea</td>
<td>1,182</td>
<td>7,931</td>
<td>1,934</td>
<td>11,047</td>
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<tr>
<td>Total Number of Glasses per Year</td>
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<tr>
<td>Red Wine</td>
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<tr>
<td>White Wine</td>
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<tr>
<td>Beer</td>
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<td>211 million</td>
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<td>184 million</td>
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<td>225 million</td>
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LAST TWO YEARS...

1. 2017 SAW A CAUTIOUS RETURN TO GROWTH

2. PLATEAUING IN QSR CHAIN VOLUME SINCE 2014/15

3. SHARP DECLINE IN FOODSERVICE EQUIPMENT INSTALLED BASE SINCE 2012

4. 34% DECLINE IN NUMBER OF ESPRESSO COFFEE CONSUMED BETWEEN 2014 AND 2016

5. WINNERS IN TODAY’S MARKET: CAFÉS - PUBS/TAVERNS - INDEPENDENT QSRs
OPPORTUNITIES – IN A GROWING MARKET

1. HEALTHY EATING STILL ON THE RISE
2. BREAKFAST & BRUNCH
3. PARTLY & FULLY PREPARED FOODSTUFFS
4. CAFÉ & PUB DINING
OPPORTUNITIES – IN A GROWING MARKET

1. The rise & rise of the hamburger
2. Gluten free steady growth from very low base
3. Hospitals & nursing homes & long day care centres
4. New & innovative products
5. Higher supplier margins within foodservice compared to retail
LOOKING TO THE FUTURE

AUSTRALIA

NEW ZEALAND

Sweden

Norway

Finland

Denmark