



— EST 1947 —

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**NO.1** | *New Zealand wine  
exporter to the world.*

FY20 Results

*28 August 2020*

## Agenda

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Introduction to meeting.

Business Performance – 2020 Year under review.

Investing for the Future.

Delegat Outlook.



## Performance Highlights

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Record global case sales of 3,277,000.  
9% higher than last year.

Record Operating NPAT of \$60.8 million.  
20% higher than last year.

Record cash flows from operations of \$84.3 million.  
42% higher than last year.

No1 New Zealand wine exporter to the World.



## Case Sales and FX

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<b>Case Sales (000's)</b>	<b>Jun 2020 Actual</b>	<b>Jun 2019 Actual</b>	<b>% Change vs 2019</b>
UK, Ireland and Europe	1,101	896	23%
North America (USA and Canada)	1,438	1,332	8%
Australia, NZ and Asia Pacific	738	780	-5%
<b>Total Cases</b>	<b>3,277</b>	<b>3,008</b>	<b>9%</b>

<b>Foreign Currency Rates</b>	<b>Jun 2020 Actual</b>	<b>Jun 2019 Actual</b>	<b>% Change vs 2019</b>
GB£	0.5025	0.5146	2%
AU\$	0.9313	0.9320	0%
US\$	0.6493	0.6774	4%
CA\$	0.8648	0.8888	3%

## Revenue Growth Analysis

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NZ\$ millions	Jun 2020 Actual	Jun 2019 Actual Restated*	% Change vs 2019
<b>Sales Revenue</b>	<b>296.8</b>	<b>269.4</b>	<b>10%</b>
<b><u>Revenue movements breakdown:</u></b>			
Volume			9%
Value			1%
Foreign Exchange		2%	
Country/Product Mix		-1%	

## Operating Performance

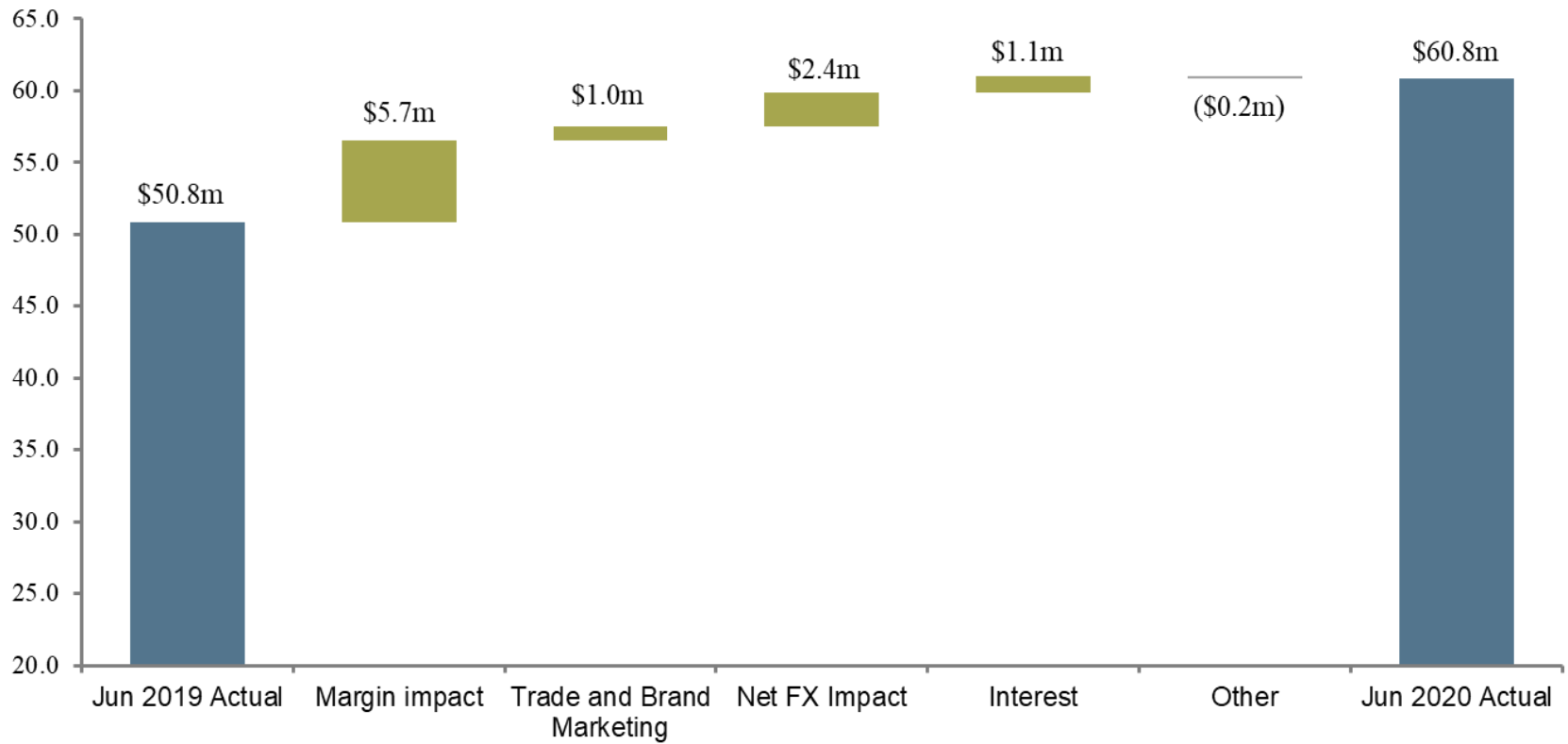
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NZ\$ millions	Jun 2020 Actual	Jun 2019 Actual Restated*	% Change vs 2019
<b>Sales Revenue</b>	<b>296.8</b>	<b>269.4</b>	<b>10%</b>
Operating Revenue	302.9	278.0	9%
<b>Operating Gross Profit</b>	<b>151.3</b>	<b>138.4</b>	<b>9%</b>
Operating Gross Margin	50%	50%	
Expenses (excl Promotion and Marketing)	(48.6)	(45.9)	-6%
Promotion and Marketing	(7.5)	(9.2)	18%
<b>Operating EBIT</b>	<b>95.2</b>	<b>83.3</b>	<b>14%</b>
Operating EBIT % of Revenue	31%	30%	
Interest and Tax	(34.4)	(32.5)	-6%
<b>Operating NPAT</b>	<b>60.8</b>	<b>50.8</b>	<b>20%</b>
Operating NPAT % of Revenue	20%	18%	
<b>Operating EBITDA</b>	<b>116.8</b>	<b>103.8</b>	<b>13%</b>
Operating EBITDA % of Revenue	39%	37%	

\*The financial statements for the year ended 30 June 2019 have been restated following the adoption of NZ IFRS 16: Leases on 1 July 2019. Refer to Note 1 of the financial statements.

## Operating Profit Movement – Last Year

*NZ \$millions*



## Impact of 'Fair Value' Adjustments

NZ\$ millions	Jun 2020 Actual	Jun 2019 Actual Restated*	% Change vs 2019
<b>Operating NPAT</b>	<b>60.8</b>	<b>50.8</b>	<b>20%</b>
Operating NPAT % of Revenue	20%	18%	
Biological Produce (Grapes) <sup>1</sup>	(0.7)	(4.2)	83%
Derivative Instruments	1.3	(1.5)	n/m <sup>2</sup>
<b>Total Fair Value Items</b>	<b>0.6</b>	<b>(5.7)</b>	<b>n/m<sup>2</sup></b>
Taxation of NZ IFRS fair value items	(0.2)	1.7	n/m <sup>2</sup>
Reinstatement of Building tax depreciation	2.9	-	100%
<b>Fair Value Items after Tax</b>	<b>3.3</b>	<b>(4.0)</b>	<b>n/m<sup>2</sup></b>
<b>Reported NPAT</b>	<b>64.1</b>	<b>46.8</b>	<b>37%</b>

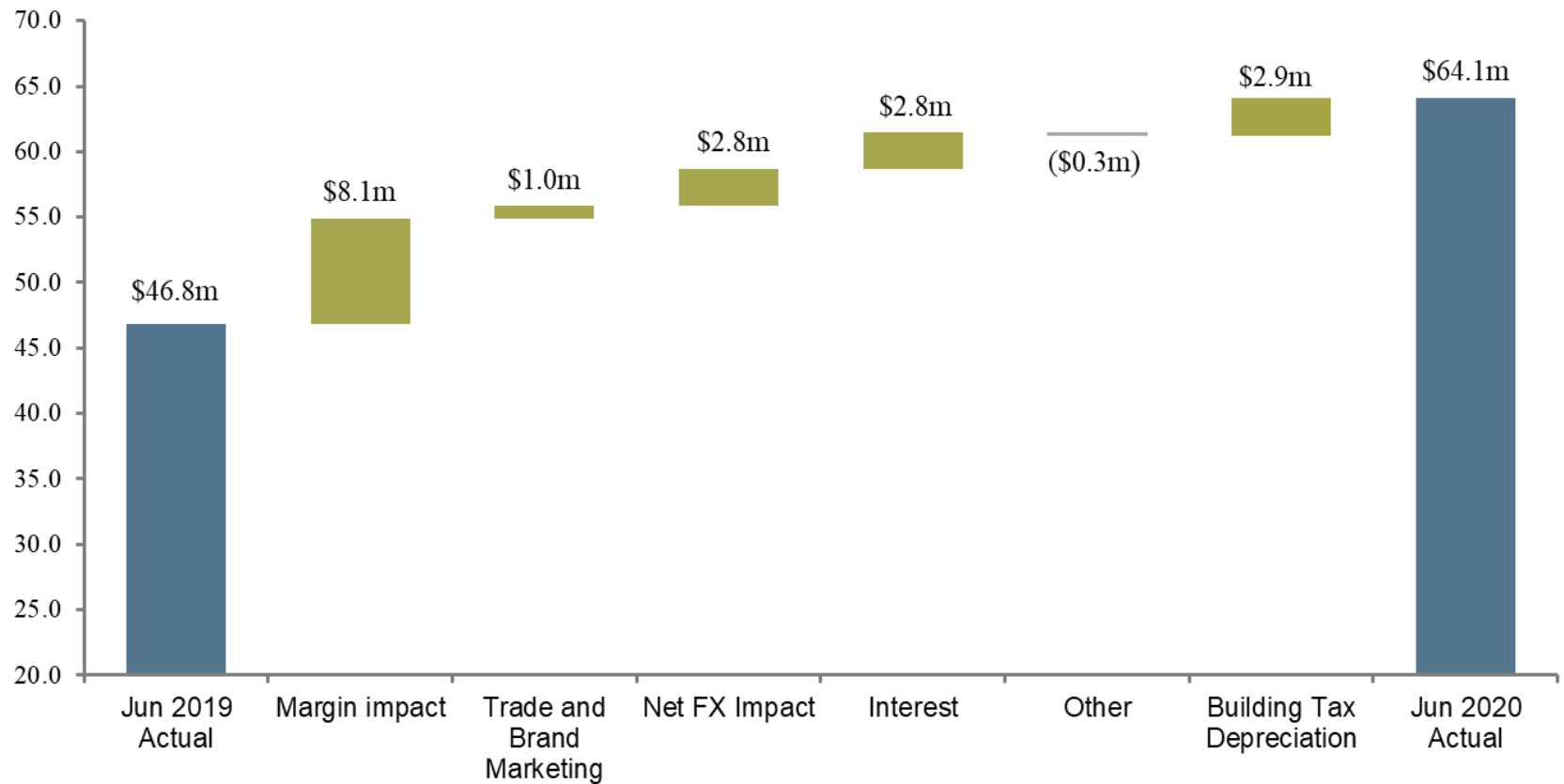
1. Biological Produce (Grapes) is the difference between market value paid for grapes versus the cost to grow grapes. The harvest provision is reversed and only recognised when the finished wine is sold.

2. n/m means not meaningful.



## Reported Profit Movement – Last Year

*NZ \$millions*



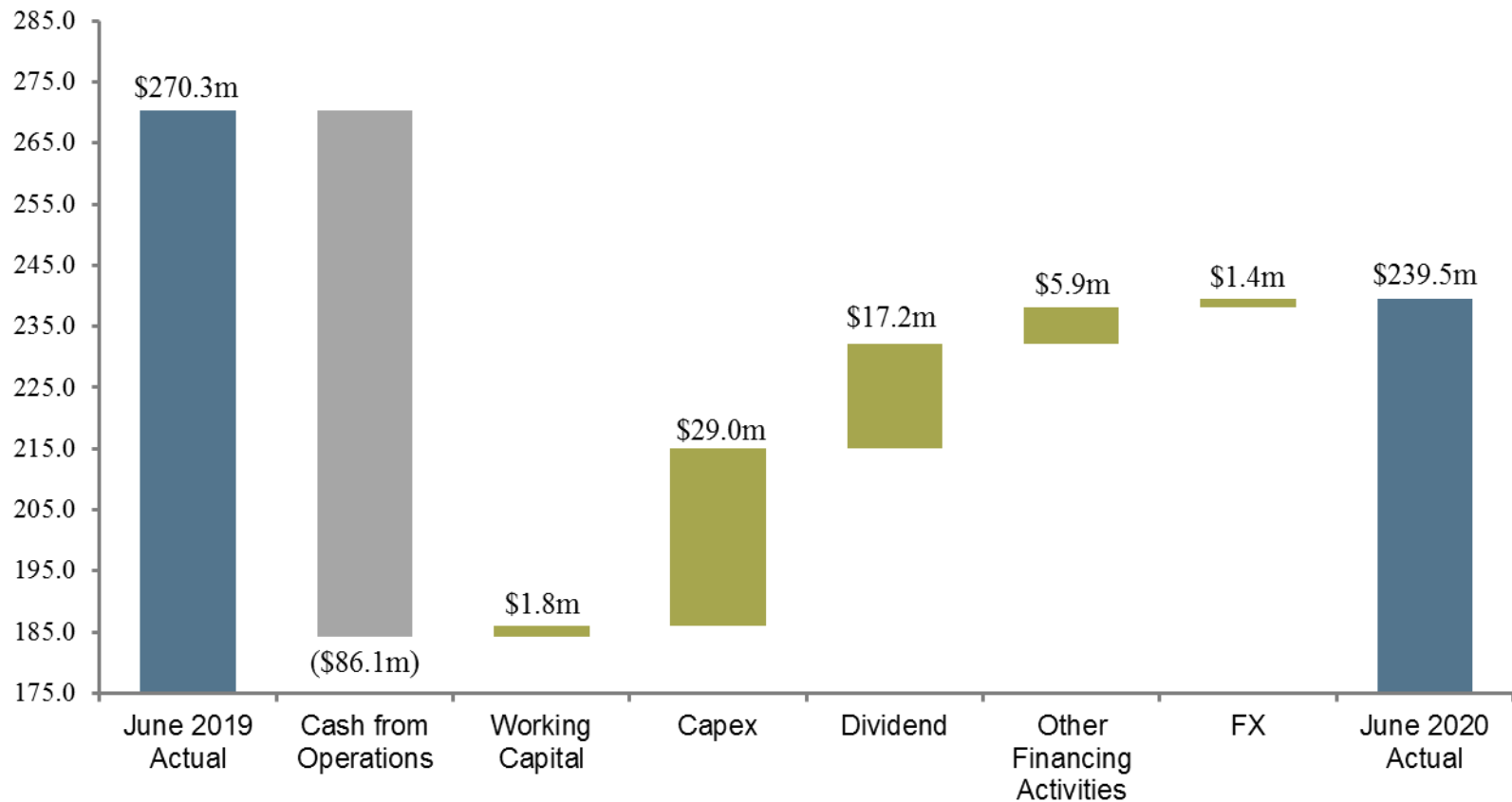
## Balance Sheet Summary

NZ\$ millions	Jun 2020 Actual	Jun 2019 Actual Restated*	% Change vs 2019
<b><u>Assets</u></b>			
Current Assets	203.0	199.0	2%
Non-current assets	601.7	591.2	2%
<b>Total Assets</b>	<b>804.7</b>	<b>790.2</b>	<b>2%</b>
<b><u>Liabilities</u></b>			
Current Liabilities	46.7	46.2	1%
Lease Liability	79.5	82.0	-3%
Deferred Tax Liabilities	28.5	28.7	-1%
Net Debt	239.5	270.3	-11%
Other Non-current Liabilities	5.9	6.3	-6%
<b>Total Liabilities</b>	<b>400.1</b>	<b>433.5</b>	<b>-8%</b>
<b><u>Equity</u></b>			
Shareholders' Equity	404.6	356.7	13%
<b>Total Equity</b>	<b>404.6</b>	<b>356.7</b>	<b>13%</b>
<b>Total Liabilities and Equity</b>	<b>804.7</b>	<b>790.2</b>	<b>2%</b>

\*The financial statements for the year ended 30 June 2019 have been restated following the adoption of NZ IFRS 16: Leases on 1 July 2019. Refer to Note 1 of the financial statements.

## Net Debt Movement

*NZ \$millions*



## Net Debt Overview

NZ\$ millions	Jun 2020 Actual	Jun 2019 Actual Restated*	% Change vs 2019
<b><u>Funding</u></b>			
Operating Cash Flow	84.3	59.6	42%
Net Debt	239.5	270.3	11%
<b><u>Key Ratios</u></b>			
<b><u>Operating Profit Measures</u></b>			
Interest Cover	8.82	6.72	31%
Return on Equity <sup>1</sup>	17.7%	16.8%	5%
Return on Capital Employed <sup>2</sup>	14.0%	12.5%	12%
<b><u>Reported Profit Measures</u></b>			
Interest Cover	8.87	6.26	24%
Equity / (Equity + Net Debt) %	62.8%	56.9%	10%
Return on Equity	16.8%	13.7%	23%
Return on Capital Employed	18.4%	17.3%	6%

1. Return on Equity (Operating) excludes all fair value items from both NPAT and Assets/Liabilities.

2. Return on Capital Employed (Operating) excludes all fair value items from both EBIT and Assets/Liabilities.

## 2020 Harvest

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Group Harvest:

- Exceptional quality across all three of our wine regions
- 38,129 tonnes, up 7% on 2019



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## Investing in Growth – Capital Expenditure Update

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2018: Includes vineyard and winery developments in Hawke’s Bay, Marlborough and Barossa Valley, and land acquisition in New Zealand.

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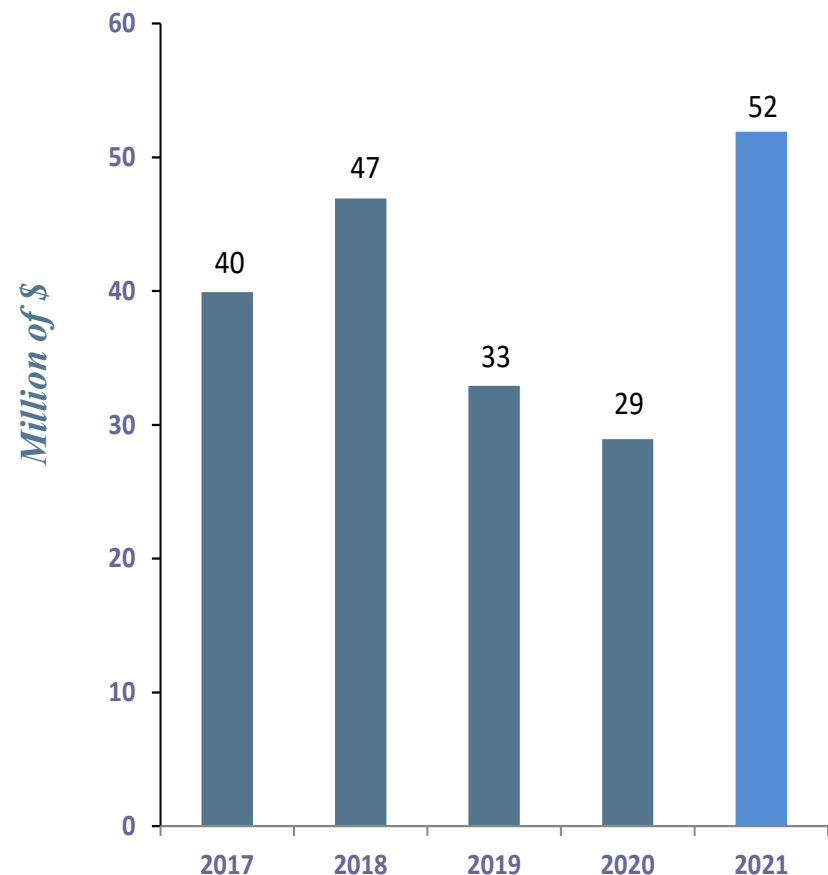
2019: Includes vineyard and winery developments in Hawke’s Bay, Marlborough and Barossa Valley.

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2020: Includes vineyard and winery developments in Hawke’s Bay, Marlborough and Barossa Valley, and land acquisition in New Zealand.

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2021: Includes vineyard and winery developments in Hawke’s Bay, Marlborough and Barossa Valley, and land acquisition in New Zealand.



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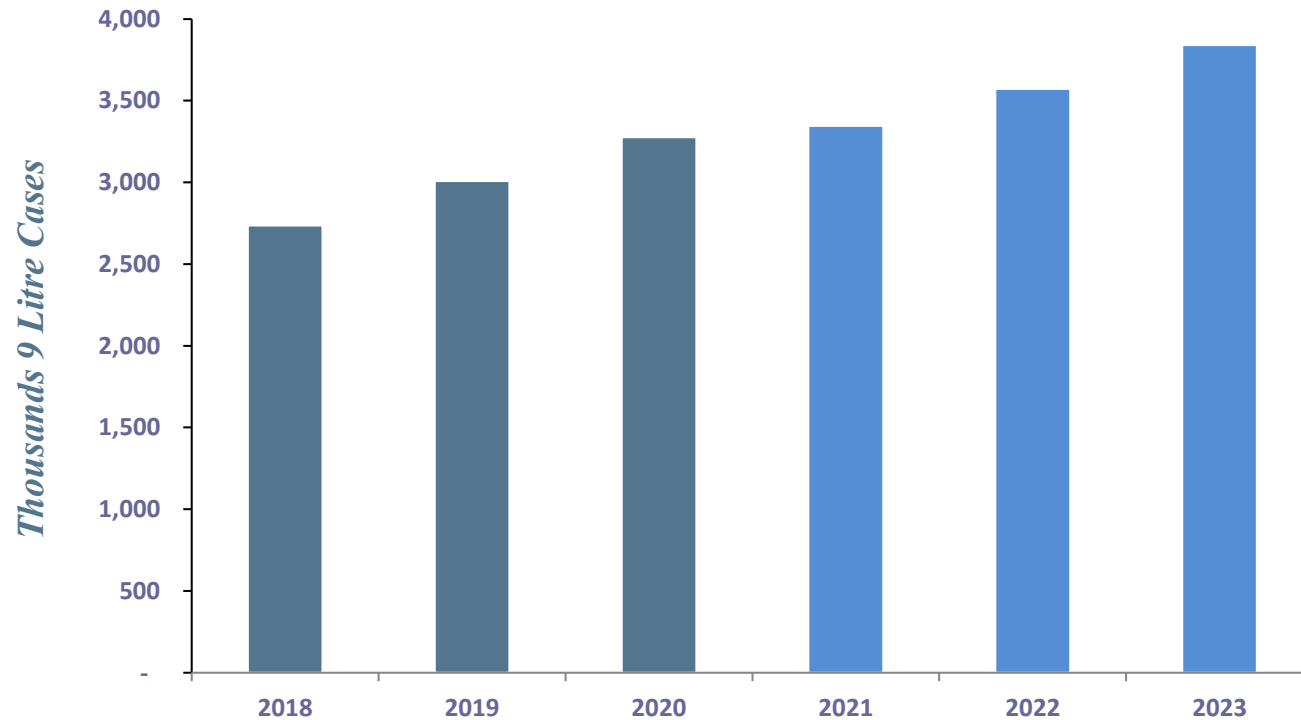
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## Delegat Sales Growth 2018 - 2023



	2020	2021	2022	2023
Case Sales (000s)	Actual	Forecast	Projection	Projection
<b>Total Cases</b>	<b>3,277</b>	<b>3,346</b>	<b>3,573</b>	<b>3,840</b>
<b>% Increase</b>		<b>2%</b>	<b>7%</b>	<b>7%</b>

## **FY21 Operating Profit Guidance**

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Based on prevailing exchange rates, the Group forecasts to achieve a FY21 operating profit that is in the range of \$60 to \$65 million.

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Thank you

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