

— EST 1947 —

# DELEGAT

## HALF-YEAR RESULTS

*23 February 2018*



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# AGENDA

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Introduction to meeting.

**Business Performance – Half Year  
review.**

Outlook.



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## PERFORMANCE HIGHLIGHTS

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Global case sales of 1,377,000.

10% sales growth in the key North America region.

Record Operating NPAT of \$26.9 million.  
9% higher than last year.

Strong cash flows from operations.



## CASE SALES AND FX

<b>Case Sales (000's)</b>	<b>Dec 2017</b>	<b>Dec 2016</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>vs 2016</b>
UK, Ireland and Europe	358	449	-20%
North America (USA and Canada)	568	518	10%
Australia, NZ and Asia Pacific	451	479	-6%
<b>Total Cases</b>	<b>1,377</b>	<b>1,446</b>	<b>-5%</b>

<b>Foreign Currency Rates</b>	<b>Dec 2017</b>	<b>Dec 2016</b>	<b>% Change</b>
	<b>Actual</b>	<b>Actual</b>	<b>vs 2016</b>
GB£	0.5323	0.5396	1%
AU\$	0.9119	0.9428	3%
US\$	0.7148	0.7132	0%
CA\$	0.8952	0.9438	5%

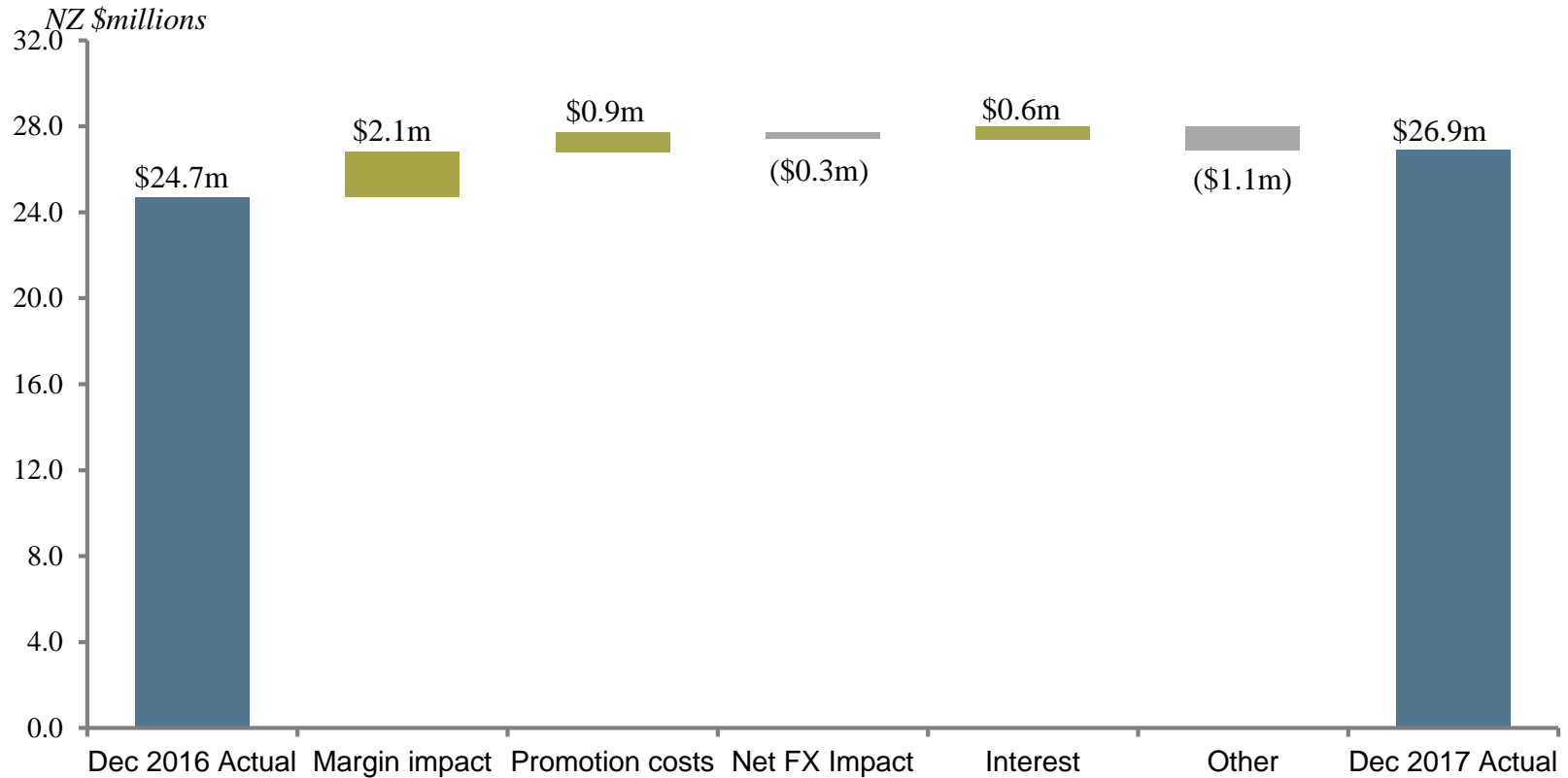
## REVENUE GROWTH ANALYSIS

NZ\$ millions	Dec 2017 Actual	Dec 2016 Actual	% Change vs 2016
<b>Operating Revenue</b>	<b>134.4</b>	<b>133.7</b>	<b>1%</b>
<b><u>Sales movements breakdown:</u></b>			
Volume			-5%
Value			6%
Foreign Exchange		2%	
Underlying Price/Product Mix		4%	

## OPERATING PERFORMANCE

NZ\$ millions	Dec 2017 Actual	Dec 2016 Actual	% Change vs 2016
<b>Sales Revenue</b>	<b>134.4</b>	<b>133.7</b>	<b>1%</b>
Operating Revenue	136.9	135.8	1%
<b>Operating Gross Profit</b>	<b>80.0</b>	<b>76.7</b>	<b>4%</b>
Operating Gross Margin	58%	56%	
Operating Expenses	(36.6)	(35.3)	-3%
<b>Operating EBIT</b>	<b>43.4</b>	<b>41.4</b>	<b>5%</b>
Operating EBIT % of Revenue	32%	30%	
Interest and Tax	(16.5)	(16.7)	1%
<b>Operating NPAT</b>	<b>26.9</b>	<b>24.7</b>	<b>9%</b>
Operating NPAT % of Revenue	20%	18%	
<b>Operating EBITDA</b>	<b>50.9</b>	<b>48.5</b>	<b>5%</b>
Operating EBITDA % of Revenue	37%	36%	

## OPERATING PROFIT MOVEMENT – LAST YEAR



## IMPACT OF 'FAIR VALUE' ADJUSTMENTS

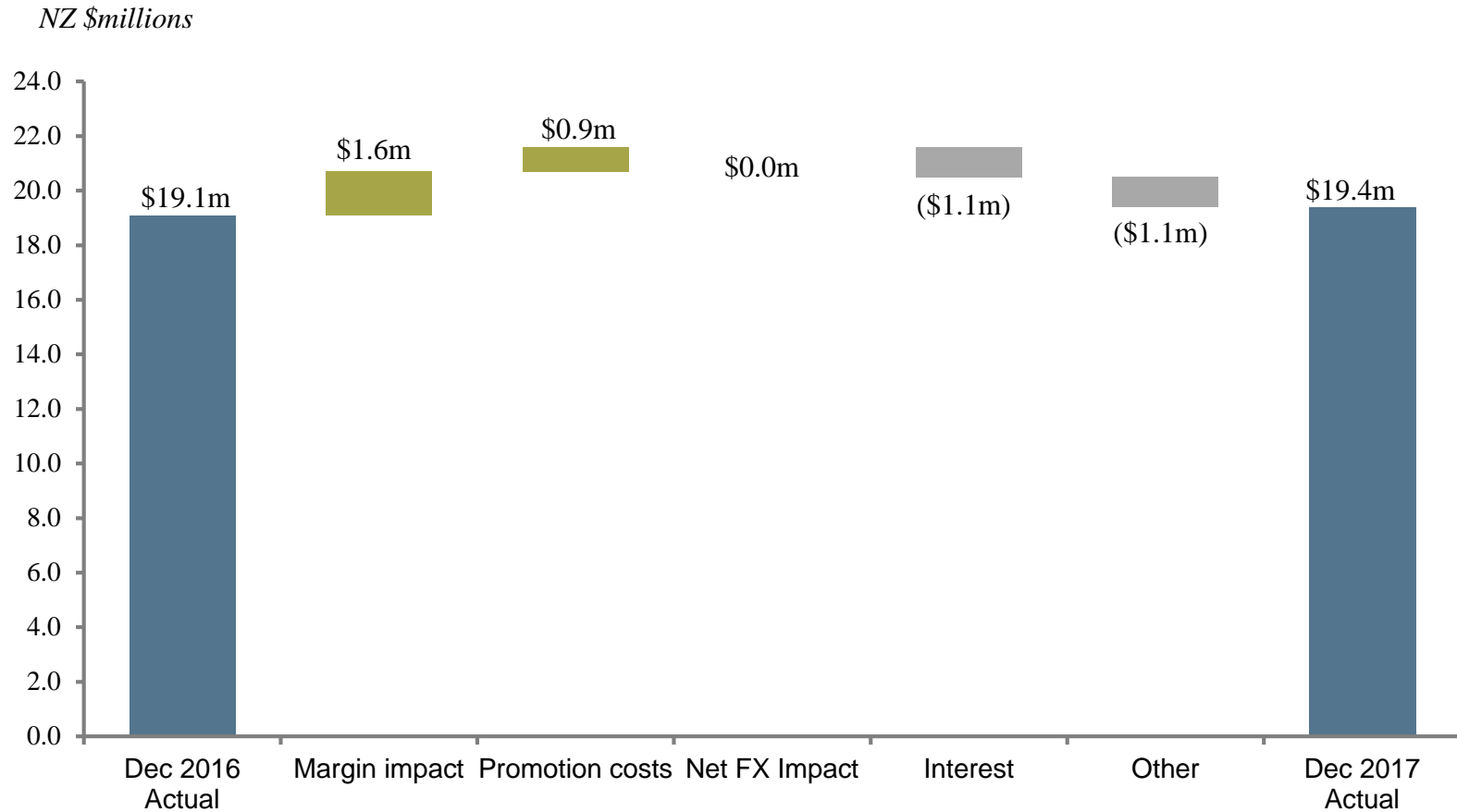
NZ\$ millions	Dec 2017 Actual	Dec 2016 Actual	% Change vs 2016
<b>Operating NPAT</b>	<b>26.9</b>	<b>24.7</b>	<b>9%</b>
Operating NPAT % of Sales	20%	18%	
Biological Produce (Grapes) <sup>1</sup>	(8.9)	(8.3)	-7%
Derivative Instruments	(1.4)	0.6	n/m <sup>2</sup>
<b>Total Fair Value Items</b>	<b>(10.3)</b>	<b>(7.7)</b>	<b>-34%</b>
Less: Tax	2.8	2.1	34%
<b>Fair Value Items after Tax</b>	<b>(7.5)</b>	<b>(5.6)</b>	<b>-34%</b>
<b>Reported NPAT</b>	<b>19.4</b>	<b>19.1</b>	<b>2%</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

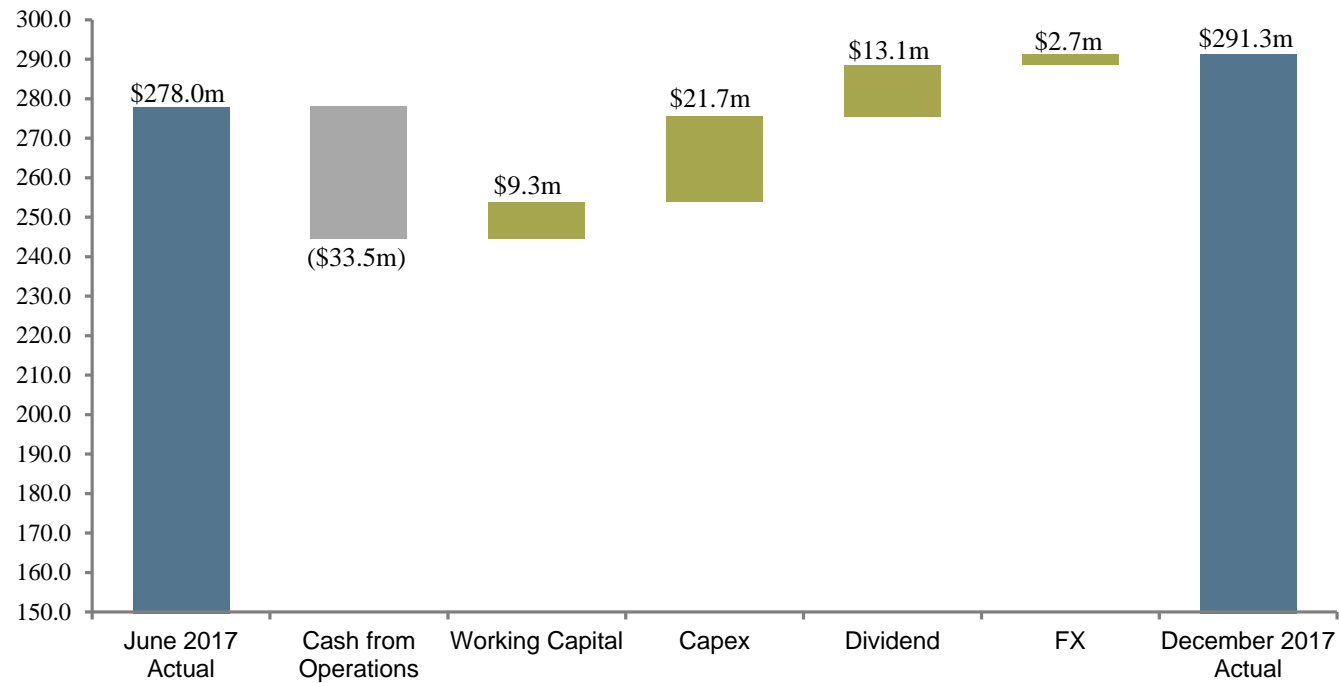


## BALANCE SHEET SUMMARY

NZ\$ millions	Dec 2017 Actual	Dec 2016 Actual	% Change vs 2016
<b><u>Assets</u></b>			
Current Assets	169.5	174.3	-3%
Fixed Assets	497.9	471.3	6%
<b>Total Assets</b>	<b>667.4</b>	<b>645.6</b>	<b>3%</b>
<b><u>Liabilities</u></b>			
Current Liabilities	23.2	29.9	-22%
Deferred Tax Liabilities	33.7	32.0	5%
Net Debt	291.3	292.0	0%
Other Non-current Liabilities	3.8	6.0	-37%
<b>Total Liabilities</b>	<b>352.0</b>	<b>359.9</b>	<b>-2%</b>
<b><u>Equity</u></b>			
Shareholders' Equity	315.4	285.7	10%
<b>Total Equity</b>	<b>315.4</b>	<b>285.7</b>	<b>10%</b>
<b>Total Liabilities and Equity</b>	<b>667.4</b>	<b>645.6</b>	<b>3%</b>

## NET DEBT MOVEMENT – JUNE 17 TO DEC 17

*NZ \$millions*



## NET DEBT OVERVIEW

NZ\$ millions	Dec 2017 Actual	Dec 2016 Actual	% Change vs 2016
<b><u>Funding</u></b>			
Operating Cash Flow	24.2	24.9	-2%
Net Debt	291.3	292.0	0%
<b><u>Key Ratios</u></b>			
Operating Interest Cover	7.19	6.03	19%
Equity / (Equity + Net Debt) %	52.0%	49.5%	5%
Senior Debt Ratio	3.48	3.85	10%

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## FULL YEAR OUTLOOK

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The Group is on target to achieve its sales forecast of 2,782,000 cases, up 5% on last year.

The Group forecasts a 2018 operating profit result of at least \$40.7 million, up on last year's record performance by 6%.



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*Thank you*

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