

• DELEGAT

FY24 Half-Year Results

23 February 2024



Key messages

- New Zealand remains the fastest growing country of origin in premium US wine
- Continued growth in consumers sales and market share in the USA market
- Solid sales performance despite distributors and retailers resetting inventory holdings, resulting in lower replenishment orders for the year to date
- Investing ahead of growth increased vineyard plantings and winery capacity to support future earnings growth





Business update

OUR STRATEGIC GOAL IS TO ESTABLISH DELEGAT AS A LEADING GLOBAL SUPER PREMIUM WINE COMPANY.



HY24 Operating summary

- Solid sales performance despite lower replenishment orders s by distributors and retailers
- Strong growth in US market, achieving 6.4% growth in consumer sales over the 6 months, and notable strength in the establishment of Oyster Bay Pinot Gris globally.
- Inflationary operating environment has required price increases in the UK, Canada and New Zealand
- Globally, over 700 million consumer impressions resulting in improved consumer awareness and affinity levels and **increased marketing investment** for our brands both online and in-store.



Solid sales result despite retailers resetting inventory levels

Case Sales (000's)	December 2023	December 2022	% change v PCP
UK, Ireland and Europe	579	559	4%
North America (USA and Canada)	959	1,028	-7%
Australia, NZ and Asia Pacific	386	383	1%
Total Cases	1,924	1,970	-2%
Foreign Currency Rates			
GB£	0.5046	0.5200	3%
AU\$	0.9185	0.9300	1%
US\$	0.6137	0.6301	3%
CA\$	0.8203	0.8311	1%



Delegat performing well in the current operating environment

Case Sales (000's)	H1 24	H1 23	% Change vs HY23
New Zealand Wine Exports	16,506	21,792	-24%
Delegat Total Cases	1,924	1,970	-2%
NZ\$ Millions	H1 24	H1 23	% Change vs HY23
NZ\$ Millions New Zealand Wine Exports Value	H1 24 1,149.6	H1 23 1,454.7	-

Building momentum in the USA



- New Zealand is the fastest growing country of origin in premium US wine. ⁽¹⁾
- Sauvignon Blanc is the fastest growing wine varietal in America and consumers are switching from other varietals⁽²⁾
- Oyster Bay is the second fastest growing premium wine brand by value in USA over the last 24 weeks, growing at 6.4%
- Oyster Bay gained over 3,400 new points of distribution in leading national retailers in 2023 ⁽³⁾
- Oyster Bay is succeeding beyond Sauvignon Blanc. For example, Pinot Grigio growth is accelerating ⁽⁴⁾

Source: 1: IRI/Circana 52 Week Ending 12.31.23 – Total US MULO L Source 2: Source: Nielsen TUS xAOC +L+C 152w w.e. 1.27.24 Source 3: SGWS National Distributor Reporting, 2023 Source 4: Source: IRI Scan Data 12-52W Ending 11.5.23 MULO



Premium brand enables pricing strategy

 The Group is committed to growing profitability in key markets supported by price increases

NZ\$millions	Dec 2023 Actual	Dec 2022 Actual	% Chg			
Sales Revenue	196.8	197.1	0%			
Sales movement breakdown						
Volume			-2%			
Value			2%			
Foreign Exchange		2%				
Price		1%				
Country/product mix		-1%				



Company on track against FY24 priorities

FY24 Priorities



Continued sales growth in the US market and improved value capture in the more established markets



Increased investment in consumer and shopper marketing to drive rate of sale and category leadership



Show ongoing success driving growth of Pinot Gris/Grigio, plus securing feature & display for Chardonnay and Pinot Noir



Improvement in underlying profit margins and cashflow through careful cost management & capital expenditure

Mid-year status



6.4% growth in retail sales in US market and strategic price increases in UK, Canada and New Zealand



45% increase in consumer impressions for 1H24 and continued investment in vineyards and wineries planned for 2H24



Pinot Grigio establishment has achieved 58% growth in retail sales in 1H24 in US market



Operating EBITDA and cashflows up on 1H23



Financial Results



HY24 Financial summary

- Global Case Sales of 1,924,000 Down 46,000 cases on HY23 (-2%)
- Operating EBITDA of \$74.8 million Up \$0.6 million on HY23 (1%)
- Down \$2.4 million on HY23 (-6%)
- Reported NPAT of \$33.4 million Down \$7.3 million on HY23 (-18%)
- Cash from operations of \$35.8 million Up \$0.5 million on HY23 (1%)



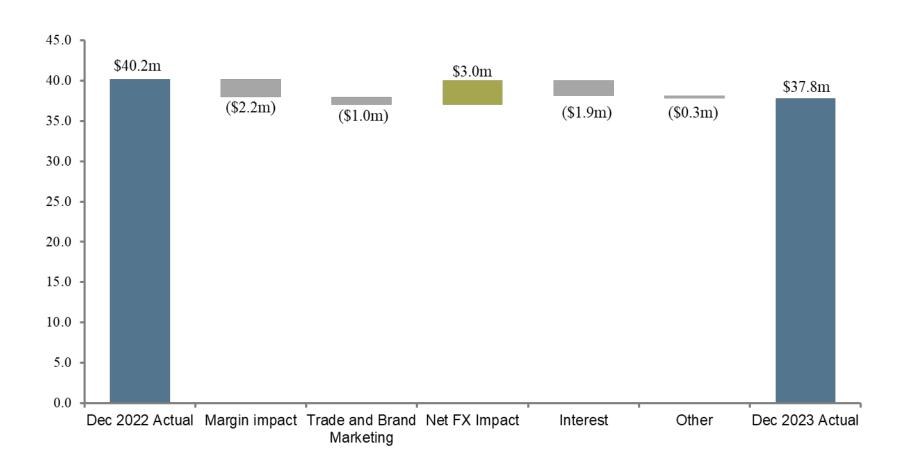
Growth in Operating EBITDA

NZ\$ millions	De	ec 2023	Dec 2022	% Change
				vs 2022
Sales Revenue		196.8	197.1	0%
Operating Revenue		198.6	198.8	0%
Operating Gross Profit		96.1	95.6	1%
Operating Gross Margin		48%	48%	
Expenses		(26.9)	(26.9)	0%
Promotion and Marketing		(7.2)	(6.5)	-11%
Operating EBIT		62.0	62.2	0%
Operating EBIT % of Revenue		31%	31%	
Interest and Tax		(24.2)	(22.0)	-10%
Operating NPAT		37.8	40.2	-6%
Operating NPAT % of Revenue		19%	20%	
Operating EBITDA		74.8	74.2	1%
Operating EBITDA % of Revenue		38%	37%	



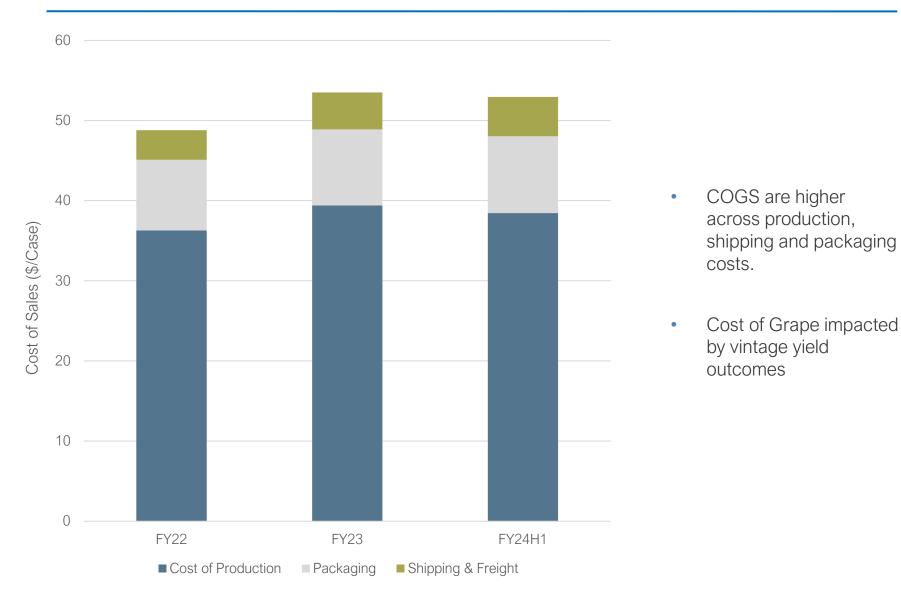
Operating Profit Movement - Last Year

NZ \$millions





COGS Summary





Impact of 'Fair Value' Adjustments

NZ\$ millions	Dec 2023	Dec 2022	% Change vs 2022
Operating NPAT	37.8	40.2	-6%
Operating NPAT % of Revenue	19%	20%	
Biological Produce (Grapes) ¹	(10.5)	(9.6)	9%
Derivative financial Instruments	4.5	10.4	-57%
Total Fair Value Items	(6.0)	0.8	n/m²
Taxation of NZ IFRS fair value items	1.6	(0.3)	n/m²
Fair Value Items after Tax	(4.4)	0.5	n/m²
Reported NPAT	33.4	40.7	-18%

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

45.0 \$40.7m 40.0 \$1.7m (\$2.8m) (\$1.0m) 35.0 \$33.4m (\$4.9m) (\$0.3m) 30.0 25.0 20.0 15.0 10.0 5.0 0.0 Dec 2022 Margin impact Trade and Net FX Impact Interest Other Dec 2023 Brand Actual Actual Marketing

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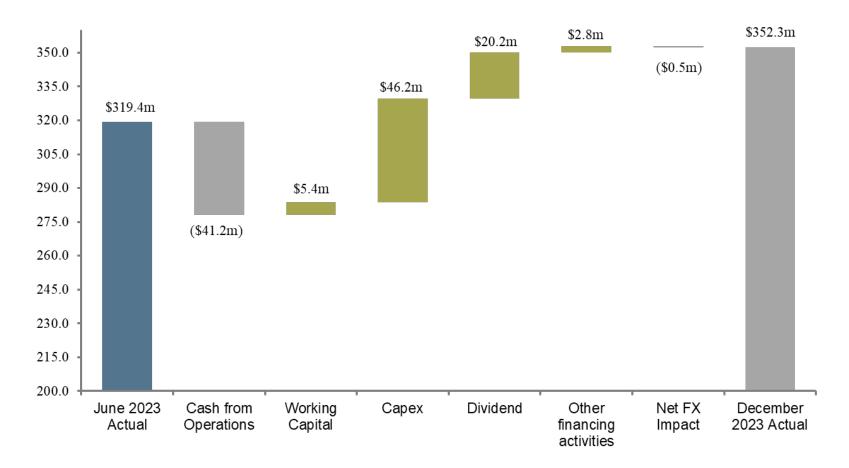
Balance Sheet Summary

NZ\$ millions	Dec 2023	Dec 2022	% Change vs 2022	
Assets			VS 2022	
Current Assets	304.5	271.2	12%	
Fixed Assets	800.6	735.9	9%	
Other Non-current Assets	0.5	2.9	-83%	
Total Assets	1,105.6	1,010.0	9%	
Liabilities				
Current Liabilities	59.0	46.8	26%	
Lease Liability	91.0	88.7	3%	
Deferred Tax Liabilities	41.8	42.2	-1%	
Senior Debt Facilities	357.6	313.9	14%	
Total Liabilities	549.4	491.6	12%	
<u>Equity</u>				
Shareholders' Equity	556.2	518.4	7%	
Total Equity	556.2	518.4	7%	
Total Liabilities and Equity	1,105.6	1,010.0	9%	
Net Debt	352.3	305.8	15%	



Increased debt levels driven by capital expenditure program

Net debt movement, June 2023 to December 2023, NZ Millions





Net Debt Overview

NZ\$ millions	Dec 2023	Dec 2022	% Change
Funding			vs 2022
Funding			
Operating Cash Flow	35.8	35.3	1%
Net Debt	352.3	305.8	15%
Key Ratios			
Operating Interest Cover	6.46	8.94	-28%
Equity / (Equity + Net Debt) %	61.2%	62.9%	-3%
Senior Debt Ratio	3.16	2.68	-18%

Investing in vineyard development and winery expansion to support future earnings growth

- During the year, the Group has invested \$44.4m in New Zealand vineyard developments and winery expansion.
- Continued investment in vineyards and wineries is planned for 2H24.



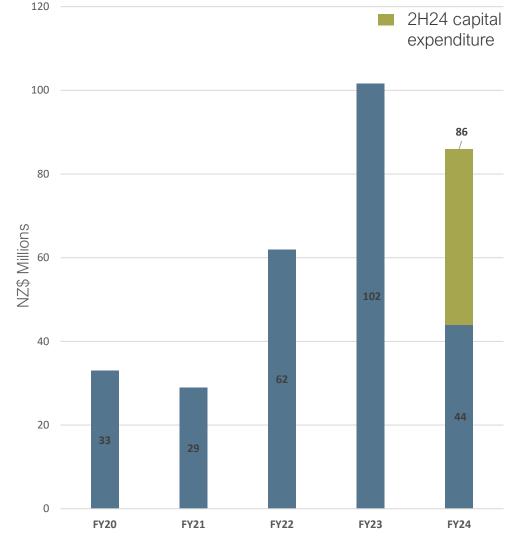
Capital Expenditure program

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

2022: Includes vineyard and winery developments in Hawke's Bay, Marlborough and Barossa Valley.

2023: Includes vineyard and winery developments in Hawke's Bay, Marlborough and Barossa Valley, and the \$39.9 million purchase of freehold Dashwood vineyard, Marlborough.

2024: Includes vineyard and winery developments in Hawke's Bay, Marlborough and Barossa Valley.





Full Year Guidance

The Group maintains its FY24 Operating Profit guidance in the range of \$57 million to \$61 million.



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Thank you