



AUSTRALIAN VINTAGE

## FY 2025 HALF YEAR RESULTS FEBRUARY 2025

### *Presenters:*

Craig Garvin, Chief Executive Officer  
Adam Rigano, Chief Financial Officer

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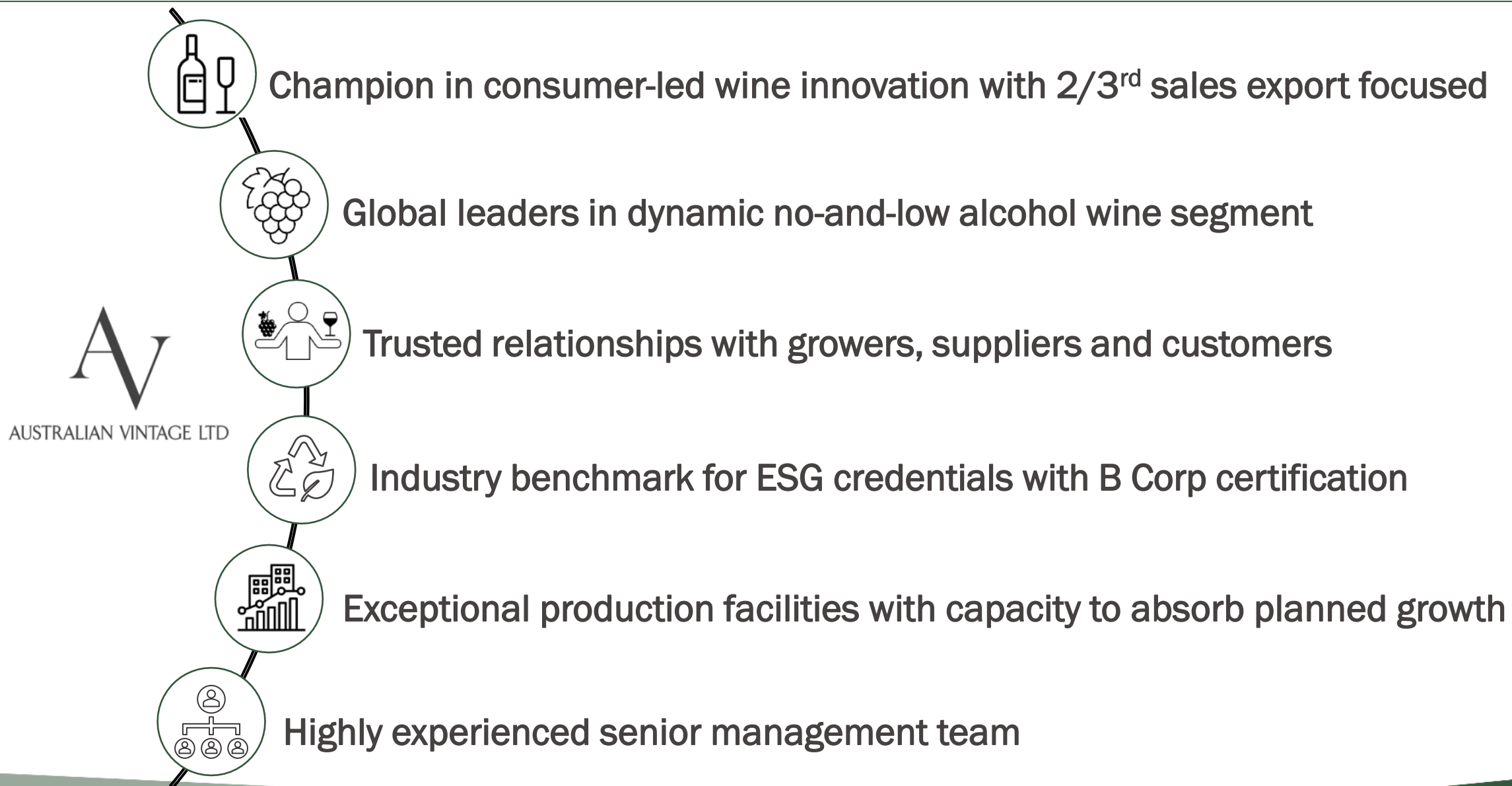
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# AUSTRALIAN VINTAGE OVERVIEW

## Australian Vintage (ASX: AVG) is a world-class consumer orientated business



# AVG is focussed on three key areas to drive shareholder value

## Focus areas and enablers for shareholder returns

1



Cash Positive

2



Growth Through Brands and Innovation

3



Organised to Win



# Strategic plan continues to position AVG to succeed



Consumers and Brands



Markets and Customers



People



ESG



Return on Assets



Poco Vino™  
Wine By The Glass






Certified  
**B**  
Corporation



**CASH POSITIVE**

## AVG is on track to execute the strategic plan and targeted financials

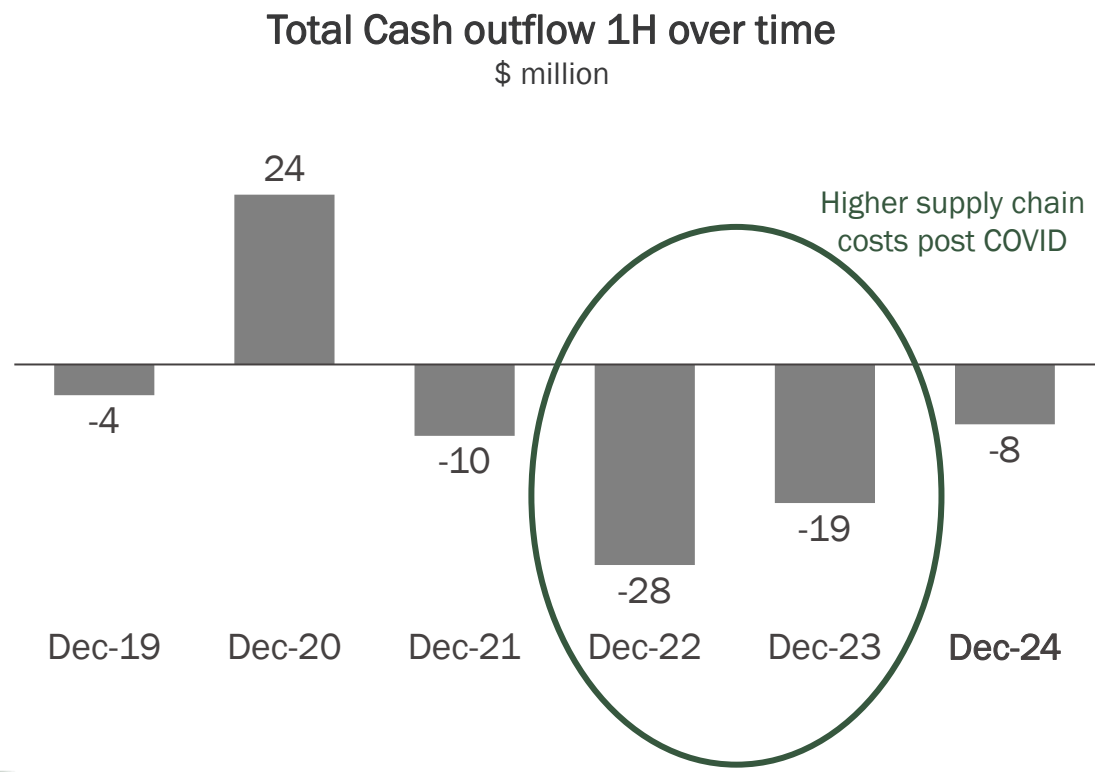
FY25 – Year 1 Drive growth and optimise cost base	FY 26 – Year 2 Drive growth and optimise cost base	FY 27 – Year 3 Accelerate Growth
<p>Board renewal ✓</p> <p>Leadership well advanced ✓</p> <ul style="list-style-type: none"> <li>• CEO</li> <li>• Industry leading Executive team in place</li> </ul> <p>Clear and aligned strategy ✓</p> <p>Staff engagement and strong culture ✓</p> <p>Balance Sheet strengthened ✓</p> <ul style="list-style-type: none"> <li>• Stage 1 cost out (\$9m)</li> </ul> <p style="text-align: center;"></p> <p style="text-align: center;"><b>Targeted Financials*</b></p> <p>Free Cash Flow                      Neutral</p>	<p>Accelerate topline growth</p> <ul style="list-style-type: none"> <li>• China and Rest of Asia</li> <li>• Drive pillar brands in key markets (ANZ / UK)</li> <li>• Category leading / margin accretive innovation pipeline</li> </ul> <p>Cost out program</p> <ul style="list-style-type: none"> <li>• Drive operational efficiencies</li> <li>• Grape sourcing/cost reset</li> <li>• Inventory utilisation</li> </ul> <p style="text-align: center;"></p> <p style="text-align: center;"><b>Targeted Financials*</b></p> <p>Free Cash Flow                      +\$10M to +\$20M</p>	<p>Accelerate topline growth</p> <ul style="list-style-type: none"> <li>• Unlock new geographies Middle East / India / Americas</li> <li>• Continue to drive disruptive innovation at scale</li> </ul> <p>Cost out program</p> <ul style="list-style-type: none"> <li>• Operational footprint optimisation</li> </ul> <p style="text-align: center;"></p> <p style="text-align: center;"><b>Targeted Financials*</b></p> <p>Free Cash Flow                      \$20M+</p> <p>ROCE                                      8%+</p> <p>Earnings                                  in line with FCF</p>



# AVG focused on optimising cost base and accelerating market leading innovation to deliver the strategic plan & drive cash generation

Significant YOY improvement in cash generation which is the best result in four years

H1 cash outflow approaching pre-COVID performance despite continued inflationary pressures



Disciplined cost control and operational efficiencies delivering 80%+ improvement in operating cash outflow

\$m	1H25	1H24	%
Operating cash outflow	(1.6)	(11.1)	+86%
Free cash outflow <i>(operating cash flow less investments)</i>	(4.5)	(15.5)	+71%
Total cash outflow <i>(free cash flow less lease payments)</i>	(8.4)	(19.7)	+57%
Abnormal items	(8.2)	-	-
Total cash movement	(16.6)	(19.7)	+16%

- 1H cash outflow includes two thirds of grower payments impacting seasonality
- Invested in market leading operational innovation reducing energy costs with pay back in less than 3 years
- 2H positive free cash flow generation achieving net debt neutrality for FY25 as per targets
- Foundation built in FY24 and FY25, on track to deliver cash positive outcomes in FY26
- Abnormal items are one-off non-recurring revenue loss primarily from customer strike action and vineyard lease termination costs which is expected to have positive future cash flow benefits



## Financial Snapshot – 1H 2025 vs Prior Year

Profit & Loss	1H25 \$m	Movement \$m change
Underlying Revenue	130	-\$6
Underlying EBITDAS	13	-\$3
Underlying EBITS	6	-\$2
Underlying NPATS	3	-\$1

Balance Sheet	1H25 \$m	Movement % change
Inventories	190	+10%
Plant & Equipment	95	-3%
Receivables	56	-10%
Other assets	58	-54%
<b>Total Assets</b>	<b>399</b>	<b>-19%</b>
Borrowings	(78)	-
Payables	(41)	+2%
Other liabilities	(73)	+11%
<b>Net Assets</b>	<b>207</b>	<b>-30%</b>
<i>Net Tangible Assets per share</i>	<i>0.58</i>	<i>-35%</i>

- Revenue with no margin not being pursued
- P&L performance in H1 negatively impacted as we focus on cash flow in FY25 to rebalance as planned by FY27
- Revenue and profitability impacted by market declines in commercial red offset by higher margin whites, innovation and reduced cost base
- Working capital positive with greater inventory utilisation and higher receivables as a result of year end sales
- Lower assets than prior year impacted by impairment of goodwill at FY24
- Lower liabilities from termination of lease
- Greater facilities available with +\$14m capital raise in June FY24

Liquidity	1H25 \$m	Movement \$m change
Facilities available	109	+20
Net Debt (reported)	73	-5
Unused facilities	~36	+14
Gearing	35%	N/A
Leverage	26%	N/A
Net debt/ EBITDAS (underlying)	2.8 times	N/A

## Future cash generation focused across entire supply chain through cost-out & top-line growth initiatives



### Grape Sourcing

Targeting \$6-10m reduction via improved grape sourcing strategies from vintage 26  
Continuing to shift from fixed to variable supply



### Asset utilisation

Active discussions remain underway regarding industry consolidation and asset utilisation and simplification



### Supply chain

Targeting \$2-3m reduction in international supply chain costs in FY26



### Innovation & Market expansion

Top line growth remains key  
Innovation, market expansion and partnerships / acquisitions will underpin growth and margin improvement

Step change to FY26 cash flow targets well advanced

# **GROWTH THROUGH BRANDS AND INNOVATION**

## Groundbreaking innovation launching globally in 2025

- Poco Vino™ will be a game changer in reimagining how people shop & share wine
  - Recruiting Millennials and re engaging lapsed wine drinkers with a quality & convenient format
  - Targeting mid-week wine occasions
- Introduced to overwhelming success at Wine Paris in February supporting global potential
- Pre-orders for FY26 already exceed \$8m net sales contribution and represent the most exciting launch in AVG history
- Strategic partnership with global leader in small format wine packaging
- 'Make where sold' sourcing model enabling significant cost efficiencies



# Poco Vino™

Wine By The Glass





## Innovation & company agility is delivering profitable growth in global markets

### Leader in consumer led wine innovation

- Maintaining market share in all key geographies
- New global innovation launched in H1 with Lemsecco spritz where demand exceeding supply
- McGuigan growing +20% YOY in the UK and maintaining #1 leadership position
- Not Guilty launched in UK and already #7 in category



## Strategically investing in the portfolio mix to boost growth and strengthen market leadership in the second half of FY2025

### Investing in Core Brands

- Investment in brands and geographies maintained
- Grow market share in key geographies- Americas, China, rest of Asia & Ireland
- Focus on retaining core consumers and recruiting next generation of drinkers



### Step change consumer led innovation

- Consumer led disruptive innovation to premiumise and recruit
- Industry leader in innovation over past 5 years; established NoLo wine segment
- Format solutions to aid convenience, moderation and occasions



### Strategic partnership opportunities

- Pursuing partnership, consolidation & acquisition opportunities to premiumise
- Key criteria: premium, international, asset light & compliments portfolio
- Future growth opportunities fully funded by non- core asset sales





## Leveraging winemaking capability and partnerships to win in Asia

- Relaunch Barossa Valley Wine Company™ to lead China and rest of Asia expansion plans
- B-Series wines showcasing the best of the Barossa
- The range is set to launch in China in FY25 and will unlock new channels and geographies
- Leveraging refreshed Board to facilitate new route to market opportunities for super premium wine in Asia



# ORGANISING TO WIN

AVG is re-organising to ensure senior/dedicated resource focused on delivering major growth, cost-out and industry consolidation initiatives at no added cost



Global brands and innovation



Growth in key markets



Global cost-out and industry consolidation

Headcount neutral whilst reducing reliance on external consultants



## New Board brings extensive turnaround experience to drive future value for AVG shareholders



**James Williamson**  
Interim Chair

- Interim Chairman of the Board of AVG. He is also a member of the People, Remuneration and Nomination Committee and the Audit, Risk & Sustainability Committee
- Co-Founder and Chief Investment Officer of Wentworth Williamson Management, a substantial shareholder of the Company.



**Margaret Zabel**  
Non-Executive Director

- Chair of the People, Remuneration and Nomination Committee and member of the Audit, Risk & Sustainability Committee
- Specialist in customer centered business transformation, brand strategy, innovation, communications, customer experience and change leadership.



**Michael Byrne**  
Non-Executive Director

- Chair of the Audit, Risk & Sustainability Committee and member of the People, Remuneration and Nomination Committee.
- Extensive experience in strategic planning, operational management, and financial stewardship across diverse industries and global geographies.



**Elaine Teh**  
Non-Executive Director

- Founder and executive Chair of Octopus Global Holdings, which is the Company's current distributor in Singapore and Malaysia.
- Supporting Asia markets growth ambition across the region including China. Ms Teh's defacto partner is a beneficiary of a trust holding, Triple D Ventures, a substantial shareholder of the company.

Expertise is already yielding returns through new market opportunities and operational efficiencies

## Experienced and stable executive team delivering results supported by a highly engaged and agile global workforce underpinned by dynamic values driven culture



**Craig Garvin**  
Chief Executive Officer

- CEO of Australian Vintage from 2019 to May 2024. Reappointed October 2024
- Extensive FMCG executive experience including as Australian CEO of Parmalat for 9 years, overseeing brands including Pauls, Oak, and Vaalia
- Consumer goods and retail experience also includes executive positions at Campbell Arnott's and leadership roles at Lion Nathan.



**Jeff Howlett**  
Chief Operating Officer

- 20+ years in the global wine and spirits industry, specialising in sales, category management, trade marketing, and leading cross-functional teams
- Previously spent 8 years at Pernod Ricard Winemakers including Global Strategy and Competitive Intelligence Director
- Extensive international experience in the wine industry, working across Global markets.



**Julian Dyer**  
Chief Operating Officer

- 20+ years experience in the wine industry
- Previously worked at Sainsbury's Supermarkets, starting out as a buyer and rising to become head of wine for the group before joining Australian Vintage
- Previous roles at AVG include Business Manager for UK supermarkets and General Manager UK/Europe.



**Adam Rigano**  
Chief Financial Officer

- 20+ years in senior roles in finance, strategy, and operations in manufacturing, specialising in F&B, agriculture, energy, and construction materials
- Former GM of Finance at Adbri Limited; previous roles at Beston Global Food Company Ltd, Santos Ltd, and Pernod Ricard Winemakers
- Experienced in leading teams in complex business environments.



**Tom Dusseldorp**  
Chief Commercial Officer

- 15+ years experience in the Australian and UK marketing landscape, specialising in food and drink businesses
- Responsible for AVG's total marketing and brand strategy across Australia, UK and global markets including North Americas and Asia
- Former roles at Pernod Ricard, Freedom Foods, Camp Australia, and All G Foods.



**Thomas Jung**  
Operations Director

- 25+ years experience across the Australian wine industry, including as a winemaker at some of Australia's leading wineries
- Responsible for AVG's winemaking, sourcing and planning operations
- Supply chain excellence and track record of asset consolidation and grower relations.



**Natasha Dale**  
People and Culture Director

- 10+ years experience across key HR functions
- With over the 6 years at AVG leading significant organizational change in gender equity, safety culture and process, people engagement and talent acquisition
- Holds a Master's level degree in HR Management.



**Alicia Morris**  
General Counsel and Company Secretary

- 15+ years legal, commercial and governance experience in the wine industry
- Holds a Bachelor of Laws and Legal Practice (Hons), Bachelor of Behavioural Science (Psychology) and a Graduate Diploma of Applied Corporate Governance
- Recognised as the winner of the Governance Top 100 Award in 2023.



**Penelope Goodsall**  
Head of Comms & ESG

- 15+ years in the wine industry as a sustainable brand leader in Australia and USA
- Built career through local wine brands and export businesses growing expertise in domestic and international markets
- Responsible for AVG's global ESG strategy, including path to Net Zero and B Corp commitments.



**Jamie Saint**  
Chief Winemaker

- 15+ years experience in the wine industry working across all disciplines of Winemaking
- Responsible for AVG's total Winemaking portfolio creation including everyday wines, Premium Wines, NoLo and Innovation
- Holds a Bachelor of Wine Science from Charles Sturt University.

# SUMMARY

## FY2025 First Half Highlights

### Focus on delivering free cash flow and shareholder value

- Cost out programs, innovation and market expansion driving the lowest normalised cash outflow in 4 years, providing confidence in delivering full year free cash neutrality
- Re-organised leadership team to win
- Innovation and growth in lighter varietals mitigating the impact of commercial market declines
- Maintained H1 market share in key geographies UK & ANZ with full year growth anticipated in the UK
- Emerging markets delivering double digit growth include Asia and North America





# Outlook

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Positive H2 performance expected driving free cash flow neutrality:

- Growth in the UK
- Double-digit growth including emerging markets China, rest of Asia and North America
- Integrate and drive consolidation opportunities
- Ongoing reduction in cost base through supply chain negotiations and optimising grape sourcing
- Leveraging the balance sheet to actively manage working capital

For FY26 and beyond key actions are already underway to deliver positive free cash flow targets

- Managing the entire supply chain to drive cash improvement
- Leverage innovation, core brand performance and stringent cost control
- Global launch and ranging of Poco Vino™ innovation
- Pursue strategic partnerships to accelerate growth in key international markets and optimise operational efficiencies
- Optimising grape sourcing for cost and quality coupled with lower cost supply chain



# Definitions

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- Revenue = Gross sales less rebates (also known as Net Revenue)
- Margin = Revenue less cost of goods sold
- EBITDAS = Earnings before interest, tax, depreciation, amortisation and SGARA (Self generating and regenerating assets)
- EBITs = Earnings before interest, tax and SGARA (Self generating and regenerating assets)
- NPATS = Net profit after tax and before SGARA (Self generating and regenerating assets)
- ROCE = Return on Capital Employed =  $\text{EBITs} / (\text{Total Assets less current liabilities})$  Note bank debt excluded from current liabilities on like for like basis
- Underlying = results less one off abnormal sales or expenses including assets sales, write offs, redundancies and strategic costs
- Reported = all inclusive results
- CAGR = Compound annual growth rate
- SGARA (self generating and regenerating assets) = the difference between the cost of production and an external market indicator for grapes i.e. if cost of production is \$600/T and a market price for grapes is \$500/T then a SGARA write off would be \$100/T