

Moa Brewing Company

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NEW ZEALAND'S LARGEST NEW ZEALAND OWNED BREWER CONTINUES GROWTH.

Moa Group Limited (NZX : MOA) today releases its audited results for FY17.

Highlights.

- Revenue Growth of 26%
- Gross Margin Growth of 27%
- EBITDA gain of 28%

Moa is New Zealand's largest locally owned brewer, and for the year ended 31 March 2017 grew revenue 26% from, \$8.15 m to \$10.25 m. This is consistent with guidance previously given in September 2016 of between \$9.5 m and \$11 m.

The Moa strategy has been to invest in growth to be a leader in New Zealand Craft Beer whilst improving gross margin and maintaining costs.

This result includes distribution for ParrotDog Brewery and Lewis Road Liqueur for part of the year. The Moa brand itself has continued to grow both Revenue and Gross margin.

The Moa Brand has the number one and number two products in the 12 pack segment of craft beer in New Zealand grocery according to recent Nielsen Scantrack data. Moa has now also achieved the number one spot in the singles segment of craft beer.

Moa's Gross margin for FY17 grew 27% from \$2.40 m to \$3.05 m. Moa's EBITDA loss reduced 28% from \$2.73 m to \$1.96 m.

With major capital investment behind Moa, the company will report on EBITDA which better reflects the trading result of the business. EBITDA represents earnings before interest, tax, depreciation and amortisation and correlates to the improving "bottom line" net loss of \$2.35 m (FY16 \$2.97 m) which is shown within the Statement of Comprehensive Income in the Financial Statements.

"Moa's growth, improving gross margins and ability to control costs, gives us confidence that during FY18 Moa will reach a point where it will pass through into profitability on a monthly basis" - CEO Geoff Ross stated. "The market didn't enjoy a great summer and there was a heavy period of promotional activity, despite this we gained confidence by seeing the Moa brand track well. Moa continues to make gains here and also in our export markets."

This year Moa will add its first China based employee. This will be the first step in the creation of an Asian hub for Moa, to support growth in China and other Asian Markets such as Hong Kong and Korea. Moa will be working closely with NZTE during this growth initiative across China and the wider region.

For more information, contact Geoff Ross Tel: 021 424 219