



Market update

28 April, 2016

MOA CONTINUES TO LEAD GROWTH IN CRAFT BEER

MOA GROUP LTD (NZX:MOA) today announces its provisional results for the year ended March 31 and an update on recent performance.

Based on the latest Nielsen Scantrack Grocery data in the last year to 27 03 2016¹, MOA has the number 1 (Moa Original 12 packs) and number 2 (Moa Session Pale Ale 12 packs) selling craft beers in New Zealand by value, now well ahead of all craft beers in this country including those products produced by Lion (Mac's) and DB (Monteith's). Both these Moa SKUs are also in high growth, having the fastest growing market share of the top five craft beer products nationally.

At a brand level the company is also performing, with MOA now at number 3 in total craft (behind Mac's and Monteith's) and having overtaken Asahi-owned Boundary Rd. Of the top five craft brands in New Zealand, MOA is also the fastest growing with 53.0 per cent growth compared to a category growth rate of 20.8 per cent.

New product development remains a key focus, with the company recently piloting a Session Pale Ale Style brew in cans for wider release through New Zealand later this year. This lighter style craft beer is aimed at those occasions where a can is a far lighter and safer vessel, making it ideal for enjoying post-outdoor activities like fishing, boating, hiking, skiing and surfing. The cans will be sold in 10 packs, with the format having recently become a high growth product in Australia.

The only publicly listed beer brand in New Zealand, the company now has 1600 shareholders - an increase of 400 new shareholders since listing. Based on this data, MOA is the largest New Zealand owned beer brand in the New Zealand market.

From a financial point of view, key provisional results from the year include:

	FY15	FY2016	
Volume	1,741,000 Litres	2,497,000 Litres	Increase of 43%
Revenue*	6.059M	8.2M	Increase of 35%
Gross Profit Dollars*	1.110M	1.8M	Increase of 62%
Operating Costs*	6.686M	4.8M	Decrease of 28%
Bottom Line*	(5.583M)	(2.9M)	Improvement of 48%

* FY2016 Results are provisional at the date of this release

The company has grown sales and continued to lead the category, whilst improving margin and decreasing operating costs. Particularly pleasing says CEO Geoff Ross, was "that much of the improvements made to operating costs only took effect in the second half of the year. So we look forward to the benefit of these for the full FY17 year".

¹ MOA calculation based in part on data reported by Nielsen through its Scantrack Service for the beer category, Craft Segment for the 52-week period ending March 27, 2016, for the New Zealand total grocery market. (Copyright © 2015, The Nielsen Company.)





Ross says that several months in the recent half year were positive in building cash despite growth and the company building stock for the coming year. Cash at the end of the financial year was \$1.5million, down from \$1.8million at the half year. The directors continue to monitor the company's cash position, and are comfortable with the capital structure at this stage.

Outside of New Zealand, MOA's key export market is Australia. Australia also experienced significant year on year growth for MOA, with a key partnership with Dan Murphy's seeing 24 containers (or 622,000 bottles) delivered between April and October this year. The company also exports to China, Brazil, Singapore and is soon to export to Korea.

MOA continues to run its dual brewery strategy, producing its Reserve and Estate range at its own brewery in Marlborough and the Classic range with a contract partner in Nelson.

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