

# TOP SHELF INTERNATIONAL HOLDINGS LTD

2021 Annual General Meeting

CEO Presentation

14 December 2021

ASX: TSI



Australian Agave Spirit Farm  
The Whitsundays, Queensland



# OUR MISSION

Brands that embody the  
independent spirit and  
personality of Australia



AUSTRALIAN  
**AGAVE**  
PROJECT  
20°S 148°E

TOPS  
INTERNATIONAL

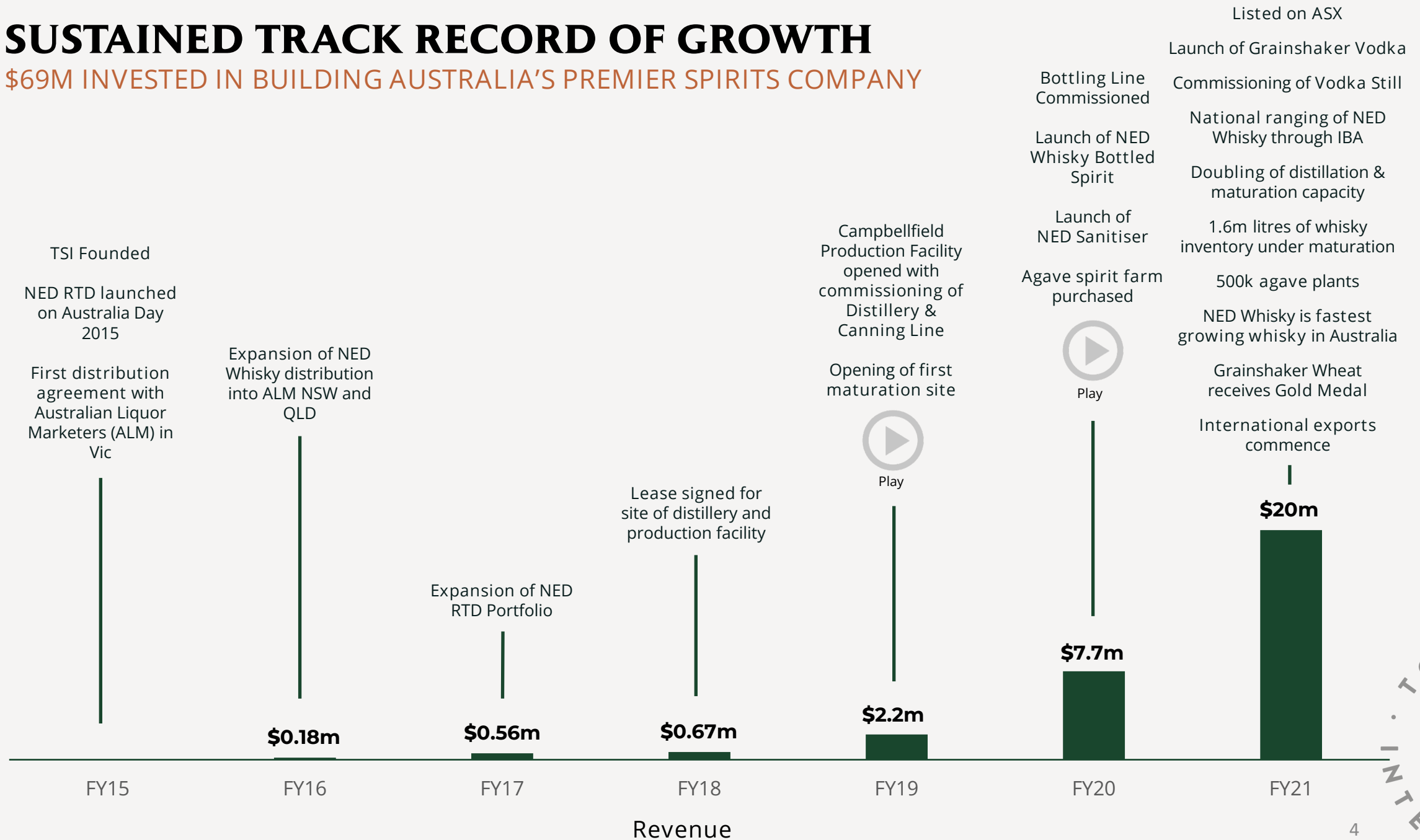


# OVERVIEW OF TOP SHELF INTERNATIONAL



# SUSTAINED TRACK RECORD OF GROWTH

\$69M INVESTED IN BUILDING AUSTRALIA'S PREMIER SPIRITS COMPANY



# SNAPSHOT OF TOP SHELF INTERNATIONAL

AUSTRALIA'S PREMIER MULTI-BRANDED INTERNATIONAL SPIRITS COMPANY

Australia's largest and fastest growing premium Australian spirits company, and largest distiller of whisky

Our ambition is to create high quality, authentic and accessible Australian spirit brands

## Our brands



NED Whisky

5-Year Net Sales Ambition >\$100m



Grainshaker Vodka

5-Year Net Sales Ambition >\$50m



Australian Agave

5-Year Net Sales Ambition >\$100m

## Assets

Vertically-integrated, state-of-the-art production and manufacturing facility

Maturation and bond stores

Capability to accelerate and execute

One-of-a-kind agave farm

Agave distillery and production facility

In development

# FUNDAMENTALS IN PLACE

INVESTMENT IN SCALE, CAPACITY AND BRAND TO REALISE SIGNIFICANT GROWTH OPPORTUNITIES





## FY21 PERFORMANCE



NED The Wanted Series #4 - Daring  
SILVER - 2021 Australian Distilled Spirits Awards  
SILVER - 2021 Tasting Australia Spirit Awards

# FY21 KEY HIGHLIGHTS

AUSTRALIA'S FASTEST GROWING SPIRITS COMPANY AND LARGEST DISTILLER OF WHISKY

Achieved  
IPO  
Prospectus  
Forecast

Pro Forma Revenue

**\$20m**

+160% on pcp  
Delivered on prospectus  
forecast

Whisky Price/Litre

**\$71.4**

+23% on H1 FY21 <sup>1</sup>

Gross Margin

**23.9%**

21.6% to 25.2% HOH  
+1.1% ahead of prospectus  
forecast

EBITDA

**-\$6.1m**

Ahead of  
prospectus forecast

Brand

**#1**

NED Fastest  
Growing Whisky <sup>2</sup>  
Grainshaker Fastest  
Growing Australian Vodka <sup>3</sup>

NSV Maturing Spirits

**\$272m**

at end FY21 <sup>1</sup>  
+521% pcp

Available Funding

**\$18.4m**

Cash reserves \$9.5m  
plus extension of  
borrowing base \$8.9m

Capability

**\$68.9m**

- Tangible Assets  
- Our People  
- Operating Model

1. TSI ASX Announcement Net Sales Value of Maturing Spirit July 2021 2. IRI AU Liquor (CLG and ALM ww), Dollars Growth vs. pcp, MAT to 25/07/21. 3. Management estimate based on comparison between Australian Vodka brands sales data, IRI \$ Growth vs. pcp MAT 29/7/21 and TSI net revenue data



# FY21 ACHIEVEMENTS

## A TRANSFORMATIONAL YEAR



National Ranging of NED Whisky through IBA (including IGA Liquor, Cellarbrations, The Bottle-O)

Launch of Grainshaker Vodka

Commissioning of Vodka Still

Doubling of distillation & maturation capacity

1.6m litres of whisky inventory under maturation

Acquisition of Agave spirit farm

NED Whisky Fastest Growing Whisky in Australia

International Exports commence

Built Executive and Senior Management capability across all business functions

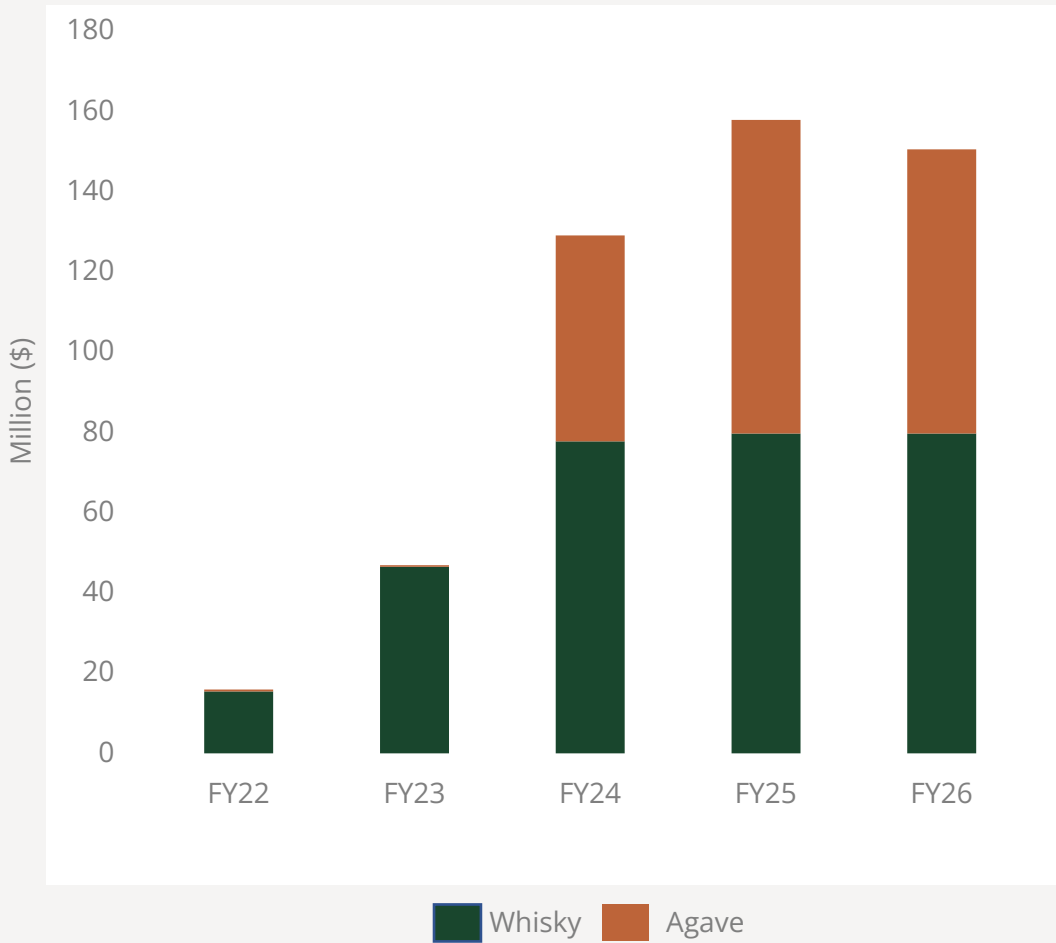
Net Sales Value of \$272m of maturing spirit

Listed on ASX

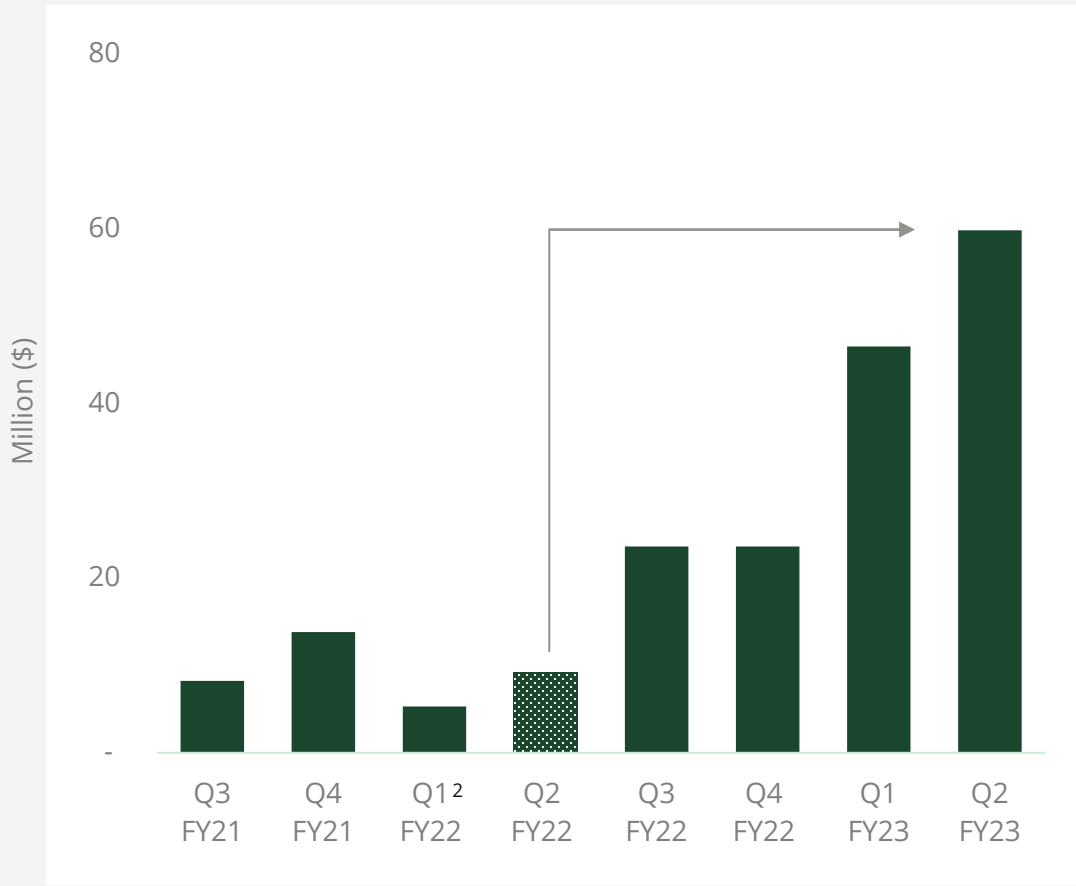
# NET SALES VALUE OF MATURING SPIRIT

\$500M IN NET SALES VALUE OF MATURING SPIRIT OVER NEXT FIVE YEARS <sup>1</sup>

NET SALES VALUE OF MATURING SPIRIT (\$M)<sup>1</sup>



ANNUALISED RUN RATE OF WHISKY AVAILABLE FOR SALE (\$M)<sup>1</sup>



1. TSI ASX Announcement Net Sales Value of Maturing Spirit July 2021. 2. Q1 FY22 inventory impacted by commissioning of Campbellfield distillery





A woman with blonde hair in a ponytail, wearing a dark blue jumpsuit, is smiling and working on a large, polished copper distillation vessel. She is using a tool to adjust a valve or port on the side of the vessel. The vessel has a large circular opening and various pipes and fittings. In the background, there are more industrial equipment and a control panel with many small colored buttons. The scene is set in a bright, modern distillery.

**FY22 UPDATE**

THE  
**DISTILLER**  
MELBOURNE



# BRAND PENETRATION & PREMIUMISATION

## FY22 CATALYSTS TO DELIVER BRAND GROWTH

### Grow Distribution Channels

- Develop long-term strategic plans with major domestic retail partners
- Continue to build strong on-premise relationships with hospitality groups and boutique venues
- Accelerate international expansion by signing new distributors in prioritised global markets
- Deploy newly-created digital capability in e-commerce and DTC channels

### Grow Channel Velocity

- Continue to build sales resource and capability in key geographic areas
- Utilise data and technology to map and target key demographics
- Execute path to purchase and perfect store model on blockbuster products

### Grow Portfolio & Premiumisation

- Grow net sales value per litre and margin via portfolio expansion and premiumisation
- Deliver NED premium portfolio in line with whisky maturation curve
- Grow Grainshaker portfolio through Limited Edition and Small Batch programs

### Build Brand & Activation

- Invest at scale 'through the line' in selected geographic areas informed by demographic data
- Activate sponsorships with limited edition products and instore merchandising tools
- Drive brand experience through live music and sporting events
- Launch Agave brand

# FY22 YEAR-TO-DATE HIGHLIGHTS



Top Shelf International is on track for a strong post-lockdown rebound and Q2 FY22 result, driven by Grainshaker on premise and festival penetration, sell out of its first release Australian Agave NFT and ongoing recognition of the product quality of its brands.

- Grainshaker-led festivals and events penetration, including Australian Open (including 40 venues around precinct) and Arts Centre Melbourne tender win
- TSI #4 Fastest Growing Company in Australia (AFR Fast 100)
- 21 Medals (including 3 Gold) at Australian spirits awards
  - NED 14 x Medals; Grainshaker 7 x Medals
- Launch and Sell Out of the first release Australian Agave NFT
  - 100 tokens sold for A\$10,000ea; 10 plants allocated to each token (1000 plants total)
  - Pre sale of first Australian agave spirit; TSI technology strategy in action
  - Refer ASX Announcement – 14 December
- NED Limited Batch Releases
  - Sounds of Bathurst – record DTC rate of sale
- Record year-to-date revenue for Direct To Consumer sales channel
- High demand for contract packaging; site operating on a 24-hr/5-day basis pre Christmas
- A\$35m capital raise to fund strategic growth
- Distillation capacity and increased whisky inventory has Top Shelf well placed to capitalise on prolonged global supply chain issues affecting imported premium spirits
- Initiation of coverage by Shaw and Partners, Cannacord and Moelis



# FY22 UPDATE

## DRIVERS TO DELIVER GROWTH

### Grow Distribution Channels



- Arts Centre Melbourne Tender - 2-year first pour contract for NED and Grainshaker at all venues, including Sidney Myer Music Bowl
- Launch and Sell Out of Australian Agave NFT – 1<sup>st</sup> pre sales of Australian agave spirit; new sales channel via deployment of blockchain technology to connect consumers to portfolio of brands
- Grainshaker-led Festivals & Events rebound – contract with GOJO events, one of the leading festival bar operators in the country
- Build out of international channels and confidence in execution of international channel strategy - ranging in Dairy Farm retail, Hong Kong; TSI first Australian spirits company to launch dedicated Alibaba Tmall store
- Major retail partnership discussions ongoing

### Grow Channel Velocity



- Recruitment of key sales executives across Australia including Qld, NSW, Vic, Tas, WA
- Engagement of retail field sales agency to complement in-house capability
- NED YoY retail sales growth of 288% to end Q1FY22 <sup>1</sup>
- Grainshaker Vodka 700mL IGA Liquor Victoria Ranging
- Grainshaker Vodka RTS ranging in IBA Victoria and Queensland in September 2021
- Record year-to-date DTC revenue

1. IRI AU Liquor MAT 19 September 2021 (CLG and ALM)



# FY22 CATALYSTS

## DRIVERS TO DELIVER GROWTH

### Grow Portfolio & Premiumisation



- 21 Awards at Industry Spirits Awards in H1FY22
  - TSI 9 medals at 2021 Australian Distilled Spirit Awards
    - NED second most awarded whisky
- Portfolio Premiumisation
  - The Wanted Series, Sounds of Bathurst
  - Grainshaker Distiller's Batch from The Distiller – Blood Orange, Wattleseed Espresso, SixtyFive
  - Pipeline of NED and Grainshaker limited releases scheduled for remainder of FY22

### Build Brand & Activation



- Grainshaker 'VOZDKA' outdoor campaign supporting IGA Liquor VIC ranging
- Australian Turf Club Partnership – NED & Grainshaker first pour at ATC venues including Royal Randwick and Rosehill
- NED Sounds of Bathurst collaboration with Kelly Grove Racing; Fox Sports broadcast integration
- Australian Open Tennis - 100% patron capacity, 2 x branded bars and premium hospitality service inside venue, 40 external venues around AO precinct, outdoor and digital campaign support, off premise RTS special edition
- The Distiller Whisky & Vodka Bar Opening – NED and Grainshaker Brand Activation

# CONTRACT PACKAGING & ESG

## Contract Packaging

- High demand for contract packaging
- Record Q1 FY22 revenue (\$2.5m up 64% YOY), on track for very strong Q2 FY22
- 94% utilisation rate in Q1FY22
- Production facility running 24/5 to service demand in lead up to Christmas
- Record whisky production month in Sept 2021 – 75,000 litres new make spirit (@43% ABV)

## Environmental, Social, Governance

- Working towards introduction of an ESG framework in early CY22
- Approach to ESG will be underpinned by three core pillars:
  - Being safe and protecting people
  - Being efficient and protecting the environment
  - Creating opportunity and making a positive contribution
- Strong foundations already in place, including several positive ESG related initiatives
  - HSEQ processes – based on best practice oil & gas companies
  - Sustainable farming practices in operation at agave spirit farm
  - Completed carbon audit across the company to establish current footprint





**THANK YOU**

