



AUSTRALIAN VINTAGE LTD

**Company Announcements
Australian Securities Exchange**

24 November 2021

AVG AGM Addresses and Presentation

Australian Vintage Limited (ASX: AVG) will today address shareholders at its Annual General Meeting to be held virtually, commencing at 2.00 pm Australian Eastern Daylight Saving Time.

Attached is a copy of the addresses to be delivered by Mr. Richard Davis, Chairman, Mr. Craig Garvin, Chief Executive Officer and Mr. Michael Noack, Chief Financial Officer and presentation material.

This information will provide shareholders an update on the company's financial performance and key strategies.

This announcement was authorised for release by the AVG Board.

Further information

Craig Garvin
Chief Executive Officer
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Michael Noack
Chief Financial Officer
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AUSTRALIAN VINTAGE LTD

2021 Annual General Meeting

Chairman's Address – Richard Davis

Australian Vintage is well established in the strategic journey of putting the consumer at the heart of everything we do. The Company has made real progress in core capability and is well placed to deliver growth over the coming years. We have a culture that embraces continuous improvement, and we are a values based organisation. Our people are our greatest assets.

Financial year ended June 2021 has again been a challenging year globally. The COVID-19 pandemic continues to disrupt the lives of so many with challenging working conditions and the way we all live our lives. In the Australian wine industry, we have also seen the significant disruption to sales to mainland China as a result of the tariffs imposed by China. Sales of Australian made wine to China have basically stopped since the higher tariffs were imposed.

Despite these challenges and as a result of our limited reliance on the China market, the Company was able to report a 79% improvement in profit. The significant improvement in AVL's core business in Australia and UK together with improved production efficiencies enabled AVL to record a profit of \$19.6 million. This profit is the highest the Company has achieved over the last 10 years.

The record result was very pleasing with continued growth in our portfolio of key brands. During the 12 month period, sales of our pillar brands of McGuigan, Tempus Two, Nepenthe and BVWC grew by 12% to \$195.1 million. Our CEO, Craig Garvin will provide more information on the growth of these brands in his presentation.

We are committed to our strategic plan, and it is showing positive signs for our future. Earnings per share improved by 79% to 7.0 cents per share and the Return on Capital Employed (ROCE) improved by 70% to 7.5%.

During the year we increased our investment in our brands with marketing spend up 46% with most of the increased marketing spend occurring in the second half of the financial year ended June 2021. What is also pleasing is that because of increased investment in our staff and our continued focus on our customers, the Company was awarded the number 1 wine supplier to the Australian retail industry by the Advantage Survey. This Survey is a comprehensive balance scorecard rating of all suppliers across the marketplace as rated by the customer. On top of that award, we also received the Supply Chain Manager of The Year Award at the Drinks Association Australian Drink Awards. These awards are a significant achievement for AVL's market reputation and credibility.

Through the outstanding efforts of all our staff we continued to operate and improve our business.

The pandemic is well into its second year and will continue to impact our consumers, customers and our suppliers. In many markets the disruptions caused by COVID-19 will continue into next year despite vaccination programs gaining momentum around the world.

Across all our operations we have supported and encouraged the vaccination rollout recognising that it is the pathway out of the pandemic. To ensure that we continue to have a safe workplace we have introduced a policy that all our employees be fully vaccinated by the 1st of December 2021. Overall, this has been well received by our staff at Australian Vintage Limited.

Our staff are to be commended on how they continue to demonstrate care for each other, as well as our consumers, customers, and partners.



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Increasing awareness of the threats to our environment and the importance of sustainability are growing the expectations of our consumers, customers, and partners around the world.

Sustainability is fundamental to AVL as we strive to be world class in water management, renewables, and our Carbon Footprint. As a key step forward our major wine processing facility in Australia is powered by 100% wind and solar energy sources including an onsite solar farm.

In this coming year we will be focusing on a detailed sustainability study with the aim of setting realistic objectives to be carbon neutral in everything we do. Integral to this study is the development of a climate change policy which will establish targets which can be monitored against actual performance.

The Company will continue to mitigate climate change risks through:

- ongoing investment towards innovative water and power solutions to reduce AVL's environmental footprint and save on costs;
- working closely with the Bureau of Meteorology to better understand short and long term weather patterns and their impacts on AVL; and
- working with key suppliers to ensure that they are managing climate change in a way that is commensurate with AVL's policy and approach.

The Company recognises that good management of our social, environmental and governance responsibility is integral to our future growth and prosperity. It is not only important to underpin the reputation and competitive appeal of our brands, but also to evolve our culture with appropriate values. The success of this Company is underpinned by being sustainable in everything we do.

As a result of our ongoing focus on managing our financial position, the Company announced in May 2021 a capital restructure involving a return of capital and share consolidation. This was successfully completed in early July 2021 and resulted in all shareholders receiving 8.5 cents per share and a 10% reduction in shares held. The combined impact of the two corporate actions had the same effect as a share buyback of 1 share for every 10 for 85 cents. This return was in addition to this year's declared dividend of 2.7 cents per share.

Our business has made a major step change over the last few years, and we are now recognised as a major branded wine business with sustainable strategies that will continue to grow this business. As we grow our branded business the agricultural risks become a smaller part of our total business. In recognition of this the board has today approved a dividend policy which will apply to all future dividends. The policy states that the Company will endeavour to maintain a dividend payout ratio of between 50% and 70% of net profit after tax each year, subject to the recognition of profit and availability of cash for distribution, funding requirements and the operating and investment needs of the Company.

Australian Wine Industry

For the year ended September 2021, Australian export sales decreased by 24% to \$2.4 billion, and volume decreased 17% to 638 million litres. This is 214 million litres less than the volume of Australian wine exported in 2018.

The decline in export sales is due to the decreased sales to mainland China, following the imposition of significant import tariffs on Australian wine. Worldwide shipping delays linked to COVID-19 restrictions and BREXIT have also impacted export sales.



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Exports, excluding mainland China, increased by 9% in value and 5% in volume. The UK is now the biggest export market by value and volume.

The total grape crush for 2021 was 2.0 million tonnes, a record for this industry. The grape crush was 31% above the 2020 harvest and 17% above the 10 year average. All regions experienced a substantial increase in tonnes.

With the record crush and a significant decline in export sales we are expecting that there will be around 300,000 tonnes of excess wine in the Australian wine industry. Furthermore, with China being predominantly a red wine market, almost all these excess tonnes will be red wine.

As a result of the excess red wine there will be downward pressure on all red grape prices. We have already seen this with red grape prices declining by 3 to 23% during the 2021 vintage. We expect red grape prices to decline even further in next year's vintage. White grape prices are expected to increase slightly as a result of some shortages of key white variety grapes.

In terms of what this company's upcoming vintage is looking like, I can report that the recent storms that passed through the Barossa and the Riverland have not materially impacted our vineyards. However, a frost event early in the growing season has impacted one of our Riverland vineyards. Our CEO will provide further details on this frost event during his presentation.

Water availability is very good in the inland regions and as a result the cost of water has reduced. At this stage, we are expecting an average yield from our vineyards.

On behalf of the Board, I would like to thank the people at Australian Vintage, led by Craig, for delivering a result that was 79% up on last year, while demonstrating resilience in a highly competitive and challenging market.

We are proud of our staff who are committed to delivering against our long term strategy.

I will now hand over to Craig Garvin to provide a more detailed breakdown of business performance over the last financial year and our priorities and focus for FY22 and beyond.

Chief Executive Officer's Address – Craig Garvin

Thankyou Richard and welcome to all our shareholders joining us today.

Before I provide some detailed insight on the FY21 result and the outlook for FY22 I would like to share with you, our vision and values and then our internal balanced score card that we use to measure our business.

Vision and Values

Firstly, looking at our vision and values. These values are critical as they guide our business approach with a strong focus on putting the consumer at the heart of everything we do.

Our vision is to make us the first-choice wine for every occasion by having a portfolio of quality brands that cater for every occasion. To achieve this vision, we must put the consumer at the heart of everything we do, and we must work in a collaborative manner, we must be innovative, nimble and responsive and we must be empowered. Underlying all these values is our behaviours which include integrity, respect and trust. It is the culture of the company and its staff which will underpin the ongoing growth and success of this business. These values form an integral part of each person's annual performance plan which is assessed every 6 months and I am glad to report that all our staff have embraced these values.



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Strategic Plans positions us well for growth

Now moving onto our balanced scorecard. This scorecard, which monitors how we are going against our strategic plans, is an all-encompassing view of our business and covers:

- Consumer and Brands in terms of our investment in brands, innovation, and consumer insight.
- Markets and Customers with targets to outperform the wine category and improving our over business in our key markets.
- People. This involves assessing our staff in terms of regular engagement surveys, investing in our staff and safety.
- Sustainability in terms of our carbon footprint, linking with local communities and renewables priority.
- Return on Assets. This involves leveraging our world class assets and delivering on all financial metrics.

FY21 key balance scorecard

This slide shows how we have performed against the balanced scorecard for FY21. The key issues that I would like to highlight are:

- Our pillar brands are now 71% of our total sales and growing;
- Our marketing spend has doubled since 2019;
- We have outgrown the markets in the UK and Australia;
- Staff engagement has improved from 54% to 65% and our lost time injury has decreased significantly from 17 in FY19 to 5 in FY21;
- Our major wine facility at Buronga is powered by 100% solar and wind energy; and
- Our operating cash flow has doubled and our return on assets has grown to 7.5%.

As you can see the Company has performed well against the balanced scorecard.

Strong Financial Performance

The FY21 record result was very pleasing with continued growth in our portfolio of key brands. During the 12 month period, sales of our pillar brands of McGuigan, Tempus Two, Nepenthe and BVWC grew by 12% to \$195.1 million. These pillar brands now represent 71% of our total sales compared to 56% in FY17. Our total revenue grew by 3% to \$274.0 million.

Our Earnings before interest and tax grew by 59% to \$30.4 million and our Net Profit after Tax improved by 79% to \$19.6 million.

Pleasingly our Operating Cash flow was a record \$45.0 million, and in line with our improved result, earnings per share increased to 7.0 cents per share and our return on capital employed was 7.5%.

As you can see from the graphs, we have seen a step change to the business in FY21. This step change has been achieved through a 46% increase investment in our key brands, efficiencies gained from our capital investment in our production assets, a real focus on our vision and values and increased investment in our staff.

Whilst it is difficult to calculate the impact of COVID-19 on the business, our key strategies should continue growth post COVID-19. Increased distribution, innovation and consumer engagement is key to this growth, and we have seen this in our Australian and UK business where we are working hard with our customer partners to drive our portfolio. The McGuigan Zero range has



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been an outstanding success and demonstrated the importance of innovation to the portfolio long term. This, together with the benefits from production efficiencies is sustainable for the long-term future and not -19 dependent.

FY21 Performance by Segment

ANZ

The Australian and New Zealand segment has performed very well with contribution up 48% to \$9.0 million. The McGuigan brand has grown by 3% due mainly to the performance of the McGuigan Zero range which is outperforming expectation and grew sales by \$5.0 million. Tempus Two continues to grow with sales up 15%, Nepenthe grew by 8% and BVWC grew by 19%.

The Direct to Consumer division, which includes our cellar doors and clubs, increased contribution by \$1.3 million as a result of the Company's investment in technology and the refurbishment of the McGuigan and Tempus Two Hunter Valley cellar doors. In the next 12 months the Company will be undertaking a major upgrade to the Adelaide Hills Nepenthe cellar door. We recently received a \$460,000 grant from the South Australian Government to help fund this major upgrade.

The New Zealand division result decreased by 16% to \$0.6 million due to the significant logistic issues experienced in sending wine to New Zealand. This problem is ongoing and will provide challenges in the near future.

UK/Europe/North America

The UK, Europe and Americas segment has also performed exceptionally well with contribution up 55% to \$17.2 million. This is despite a \$0.4 million negative impact due to the unfavourable GBP when compared to the prior period. The McGuigan brand continues to grow, with sales up 17% compared to the prior period. The McGuigan Zero brand has seen significant success with sales growing \$5.0 million over the prior period. This brand now represents 5% of all McGuigan brand sales into this segment.

As a result of increased investment and distribution in the Tempus Two brand, sales of this brand have increased by 82% from a relatively low base.

The growth in the UK market is not finished with the Company increasing its footprint and brand investment in the UK.

Americas remains a challenge with this division reporting a slight loss for the period but an improvement on last year. With changes to the leadership structure of the Americas division and a change in strategy we expect Americas to improve in the next 12 months.

Now moving onto Asia. The Company's direct exposure to the China market has been small with less than 1% of all sales going into China prior to the increase in tariff. With the significant increase in China tariff, sales to mainland China have stopped. Sales to other regions within Asia have been pleasing, with sales up 6%.

Whilst the Asian segment contribution decreased during the year, the impact was not material. The Company remains committed to the China market with the support from our major China based distribution company, and we are currently examining several options to continue the sale of our pillar brands into China.

Australia/ North America Bulk and Processing

Whilst sales in the Australia/North America Bulk and Processing segment declined by \$4.7 million, the contribution increased by \$2.0 million due to the expiry of a loss-making bulk wine sales contract back in FY20 and the improved performance of our Austflavor business.



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Vineyards

Vineyard contribution improved by \$1.0 million due to the improved SGARA (Self Generating and Regenerating Assets). This improvement is due to the increased yield from our vineyards offset marginally by reduced red grape prices.

Outlook

The record result for FY21 is very pleasing considering the many challenges that the pandemic has imposed on the Company. We continue to leverage the past asset investments and combined with our ongoing investment in our pillar brands and people capability, we remain confident that we will continue to not only grow sales but improve the mix of sales and drive an improved balanced scorecard in the long term.

The Company's ROCE (Return on Capital Employed) has grown by 70% to 7.5% and in the medium term we expect to achieve high single digit return on capital employed.

Whilst COVID-19 appears to have had an overall positive impact on our business, a significant portion of the growth has come from long term sustainable strategies such as innovation, people capability, improved consumer trading technology and improved production efficiencies.

In our latest full year view, our pillar brand sales, margins and market share are expected to be up, this confirms that our strategies are right. Year to date AVG is outperforming our competition and growing share. Global logistics are affecting our industry plus many others. Our logistic costs are estimated at \$4.5M above the prior year, with most of this occurring in the first 6 months of our UK business. As we predicted this situation we took a proactive decision to increase our UK inventory which is already showing positive results in market. The first half has also been affected by the closure of two cellar doors due to Covid – now open. As a result and assuming no material change in current foreign currency exchange rates, FY22 EBITs is estimated to be 5 to 7% below that of last year. Had we not had these increased logistic costs we would have been forecasting 8% growth this year. This is a positive result and demonstrates our base business is very strong. As such we expect positive branded growth in the second half and full year as the logistics issues are temporary and returning to normality in the UK.

This year's first half forecast also includes a \$2.3M increase in marketing which is successfully underpinning our branded strategy. On a normalised basis, excluding the increased logistic and marketing costs and closure of our Hunter Valley cellar doors, the first half year would be approximately in line with last year and very pleasing given the increased retail sales from the Covid lockdown prior year. Marketing continues at the same level in the second half as that of last year and demonstrates we are fully committed to our strategic plan. In conclusion our business is in a more robust position to absorb one off market issues such as the current logistics cost increases.

In late October one of our vineyards located in the Riverland region was impacted by frost and as a result and based on early estimates, we are expecting to lose about 1,500 to 1,600 tonnes from this vineyard. This will negatively impact our SGARA profit for this financial year. In addition, the higher-than-expected decrease in red grape prices will also negatively impact forecast SGARA profit. Whilst the impact of the reduced red grape prices will improve gross margins in future years this year's SGARA income is expected to be down by about \$1.0m when compared to the prior year.

At this early stage, we are not providing any Net Profit After Tax guidance until we have a clearer picture of next year's vintage.

We remain confident that we will continue to not only grow sales but improve the mix of our sales and drive an improved balanced scorecard in the long term.



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I will now hand over to Mike Noack, our CFO, who will provide further details on our financial position, including cash flow and Return on Capital Employed.

Chief Financial Officer's Address – Michael Noack

Thankyou Craig and hello to all our shareholders.

Improving Financial Position

What I will cover this afternoon are three key metrics that show how our business has improved over the last 6 years –

- Cash Flow from Operating activities
- Total Net Borrowings
- Return On capital Employed

As you can see from the slide our reported cash flow from operating activities has improved over the last 6 years from \$6.5 million to \$45 million in FY21. In fact, the operating cash flow from FY21 was more than double the FY20 operating cash flow. Since 2016 we have consistently achieved well over \$20 million in operating cash flow. This shows that our strategy of building a branded business with a key focus on our four pillar brands through increased distribution, innovation and consumer engagement has transformed this business. For this coming year we are expecting our working capital to increase as we build our stock to not only deal with the ongoing logistic issues but to service future increased sales. We are currently forecasting an operating cash flow of around \$25 million to \$27 million. Managing our cash has been a key focus for this business and will continue to be so.

Over the last 5 years our net borrowings have decreased from a high of \$101.4 million as at 30 June 2016 to \$42.8 million as at 30 June 2021. That is a decrease of \$58.6 million or 58% over the period. Whilst the decline in borrowings was assisted by a \$18.4 million share placement back in 2017, we did spend \$68 million on capital and \$19.5 million on paying dividends after taking into account the dividend investment plan.

Key debt related financial ratios that assess the financial wellbeing of a business have all been improving -

- The Leverage Ratio (Net Debt to EBITDA), which is a good indicator of our ability to repay our borrowings, has dropped from a high of 4.3 to 1.3; and
- The net debt to equity ratio has decreased from 38% to 14%.

In May 2021, the Company announced a capital restructure involving a return of capital and share consolidation. This was successfully completed in early July this year and resulted in a payment of \$24 million to all our shareholders. This payment together with the expected increase in our working capital will see our net debt increase to around \$70 million by 30 June 2022. This debt level is still within the comfortable range.

And finally, to one of the key metrics that we use to drive our business – Return on Capital Employed. This ratio is used to assess a company's profitability and capital efficiency and it is really important for a capital intensive business like the wine industry. Over the last 6 years we have seen our Return on Capital average around 4.7% with the last 2 years averaging 6.0%. This year we achieved a Return on Capital of 7.5%.

The company has spent significant amounts on capital over the last 3 to 4 years and subject to normal agricultural risks, we expect the benefits from these investments to continue to flow through over the next few years. Our medium term goal is high single digit returns.



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Getting our business to where it is now has been a long journey built up from sustainable long term strategies. Our business is in a sound financial position.

Ends

The background of the entire image is a large, stylized letter 'A'. The 'A' is formed by a collage of various images related to wine and lifestyle. The top-left arm of the 'A' shows a lush green vineyard. The top-right arm shows a close-up of a person's face, smiling and holding a glass of wine. The horizontal bar of the 'A' is a collage of several images: a woman holding a bottle of wine, a bottle of 'McGuigan Black' wine, a bottle of 'McGuigan Zero' wine, a bottle of 'Tempus Two' wine, a bowl of raspberries, and a group of people sitting on a couch and drinking wine. The bottom-left arm of the 'A' shows a vineyard at night with lights. The bottom-right arm shows a vineyard with a path. The overall color scheme is dominated by green, white, and dark green, with accents of red and blue from the wine bottles and lights.

AUSTRALIAN VINTAGE LIMITED ANNUAL GENERAL MEETING 24 November 2021

Your Board of Directors



Richard Davis
Chairman



Naseema Sparks AM
Non-Executive Director



John Davies
Non-Executive Director



Craig Garvin
Executive Director,
Chief Executive Officer



Peter Perrin
Non-Executive Director



Jiang Yuan (Dixon)
Non-Independent,
Non-Executive Director

Online Attendees – Text Question Process

When the question function is available, the messaging tab will appear at the top of the screen



123-456-789

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MESSAGING

VOTING

Messaging

Ask a question



Moderator

Type your question in the box above and then press the send arrow. Please include the number of the resolution at the beginning of your question. Questions may be moderated or amalgamated if there are multiple questions on the same topic

To submit a question, type your question in the “Ask a question” box and press the send arrow



Your question will be sent immediately for review

✓ Received

Online Attendees – Audio Question Process

When the audio questions line is available, a link will appear on the **home tab** titled **Asking Audio Questions**

If you would like to ask an audio question, **pause the meeting broadcast** and click on the link

You will be prompted to enter your name and the topic of your question before being placed in the audio questions queue

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VOTING

Instructions

Watching the Webcast

Press **play** to begin the broadcast. Ensure your device isn't muted and the volume is turned up. On mobile devices, the broadcast can be minimised and audio will continue to play.

Asking Text Questions

Select the **MESSAGING** tab at the top of this page, then type your question in the box provided and press the send arrow.

Asking Audio Questions

If you would like to ask a question verbally, **pause the broadcast** and then click **HERE**. You will be connected to the audio questions line where you can listen to the meeting while waiting to ask your question. Please return to this page if you have any issues.

Voting

When voting opens, a **VOTING** tab will appear at the top of the screen. Selecting this tab will open a list of resolutions, select **For**, **Against** or **Abstain** to cast your vote. There is no enter or send button. You may however cancel your vote and enter a new selection while voting is open.

Online Attendees – Voting

When open, the vote will be accessible by selecting the voting **tab** at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For ☒ Against ☐ Abstain ☐

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed

123-456-789

HOME

MESSAGING

VOTING

Poll Open

You have voted on 0 of 2 items

Resolution 1

Select a choice.

For

☐

Against

☐

Abstain

☐

CANCEL

Question 2

Select a choice.

Yes

☐

No

☐

Unsure

☐

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Agenda

- 1) Chairman's Address
- 2) CEO's Address
- 3) Financial Position
- 4) Formal Proceedings & Shareholder Questions





CHAIRMAN'S ADDRESS

Australian Wine Industry

Exports

- 12 months to September 2021, Australian export sales decreased by 24% to \$2.4.billion and volume decreased 17% to 638 million litres
- Biggest driver of the export decline was a significant decrease in exports to mainland China.
- Exports, excluding mainland China, increased by 9% in value and 5% in volume
- Worldwide shipping delays linked to Covid-19 restrictions have impacted exports in the year ended September 2021

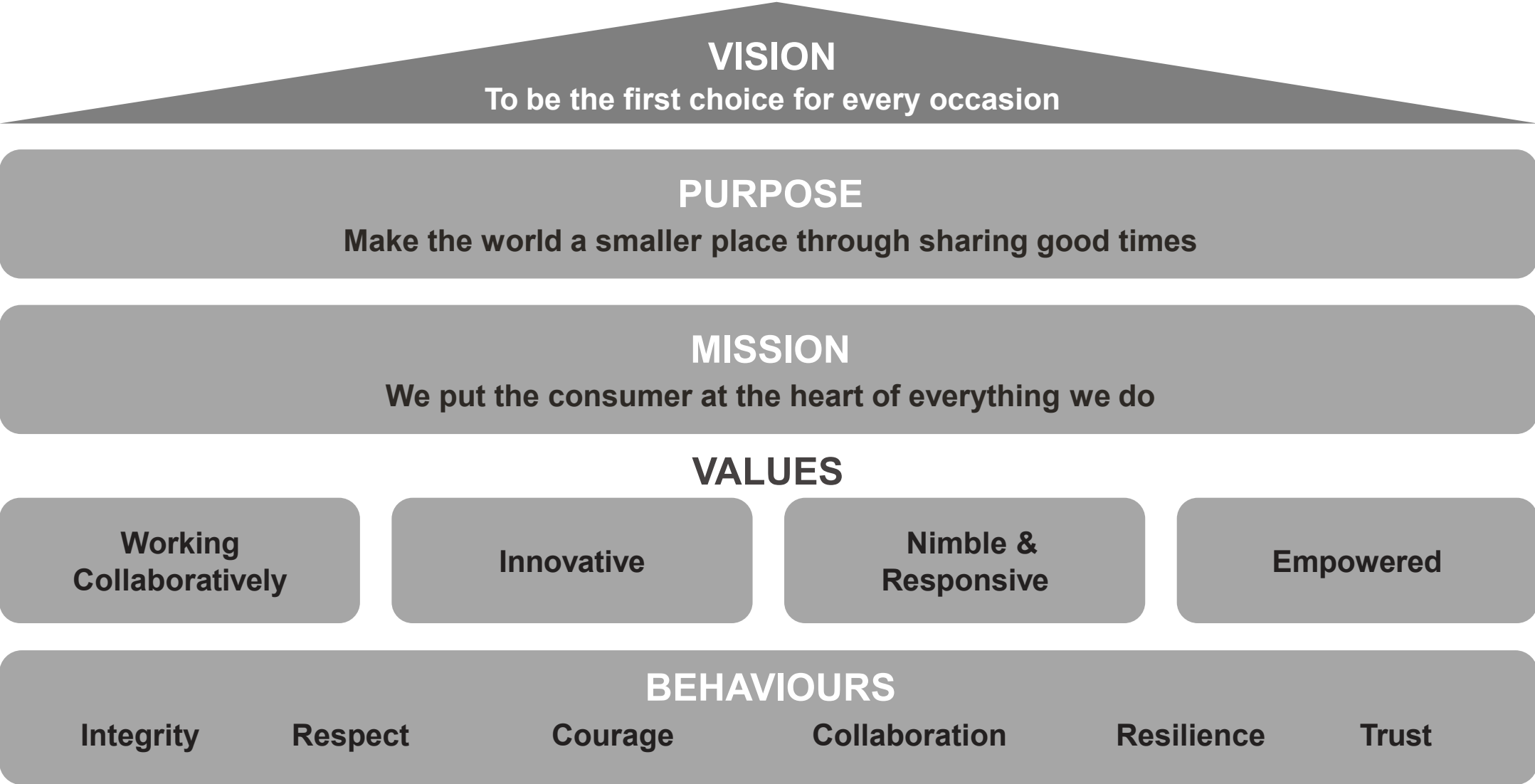
2021 Vintage

- 2021 vintage was 2.0 million tonnes, 31% up on the 2020 harvest and 17% above the 10 year average
- All regions experienced a substantial increase in tonnes
- Downward pricing pressure on red grape prices due to the loss of the China market, which was predominately a red wine market






CEO'S ADDRESS

Our values guide our business approach focused on our mission to put the consumer at the heart of everything we do



Strategic plan positions us well for growth...

 Consumers and Brands	 Markets and Customers	 People	 Sustainability	 Return on Assets
<p>Investing in pillar brands</p> <p>Pillar brand portfolio in double digit growth</p> <p>Innovation is delivering</p> <p>Consumer insight driving our branded strategies</p>	<p>Significantly improved our business in Australia and UK</p> <p>Outperforming wine category in key markets</p> <p>Resetting for growth in Asia</p> <p>Joint business planning delivering</p>	<p>Despite the pandemic staff engagement has improved</p> <p>Upweighting investment in leadership</p> <p>Prioritising diversity and behaviours</p> <p>Significant improvement in safety</p>	<p>Carbon footprint audit review</p> <p>Renewables priority</p> <p>Linking CSR to local communities</p> <p>Brand planning for “sustainable” product range</p>	<p>Leveraging our world class assets for competitive advantage</p> <p>Delivering on all financial metrics</p> <p>Financial position and balance sheet are strong</p>

... With all FY21 key balance scorecard metrics improving significantly



Consumers and Brands

Pillar Brand Sales

\$195.1m

71% of total revenue

▲ **\$21m**

▲ **12%**

Marketing Investment

X2

Doubling our marketing investment on pillar brands



Markets and Customers

Outgrowing the market in key geographies

🇦🇺 **X3**

🇬🇧 **X2**

Preferred Supplier Ranking*
(Advantage Group)

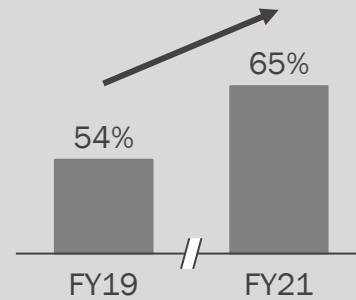
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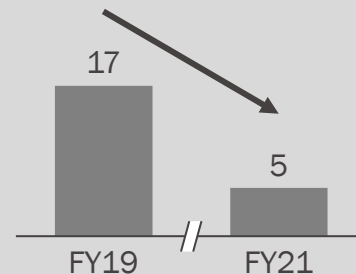


People

Staff Engagement



Lost Time Injury Frequency Rate



Sustainability

Wine Processing
Renewables

100%

Solar & Wind

Carbon Footprint



Carbon audit underway



Return on Assets

NOPAT

\$19.6m

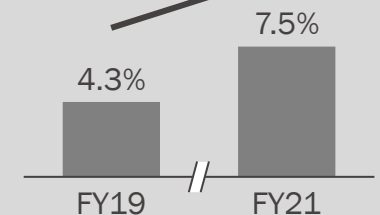
▲ **79%**

Operating Cashflow

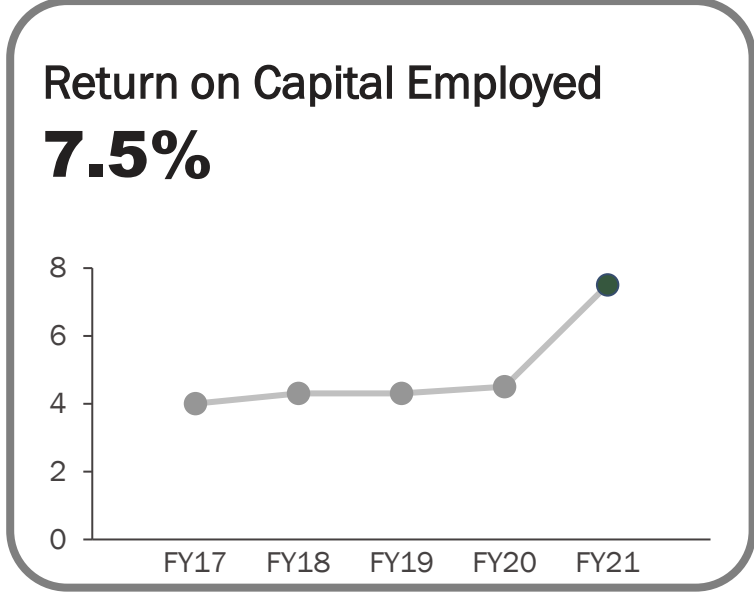
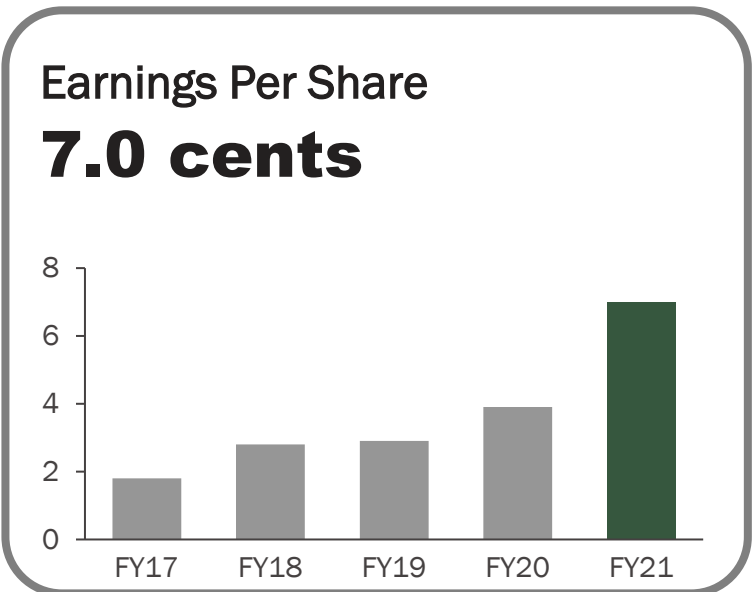
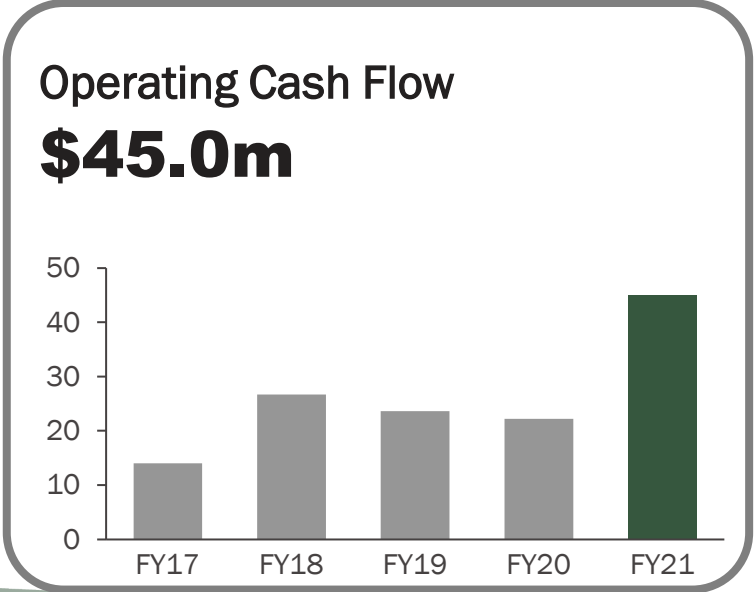
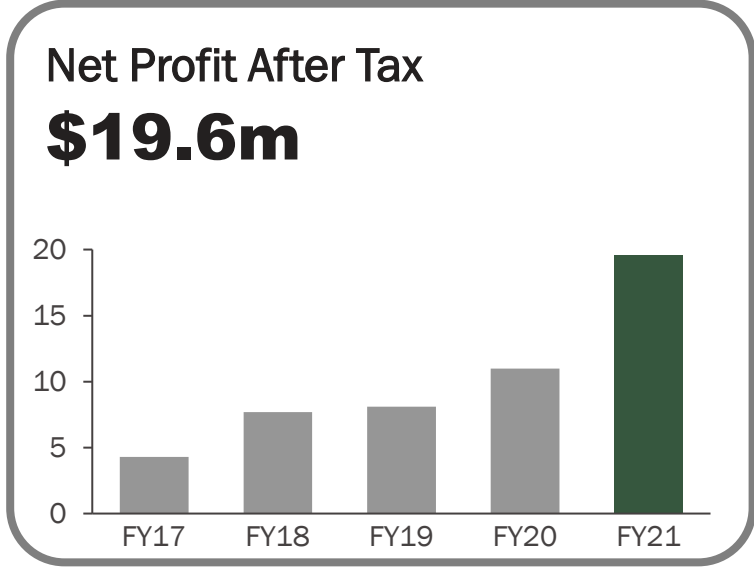
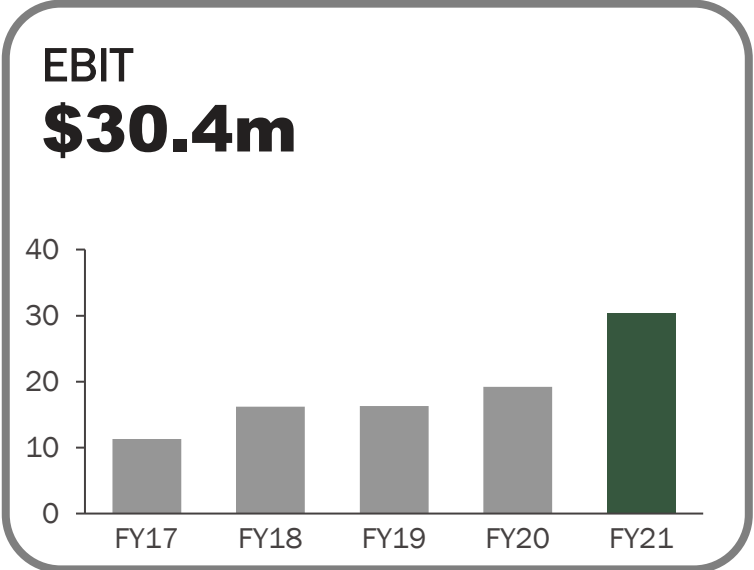
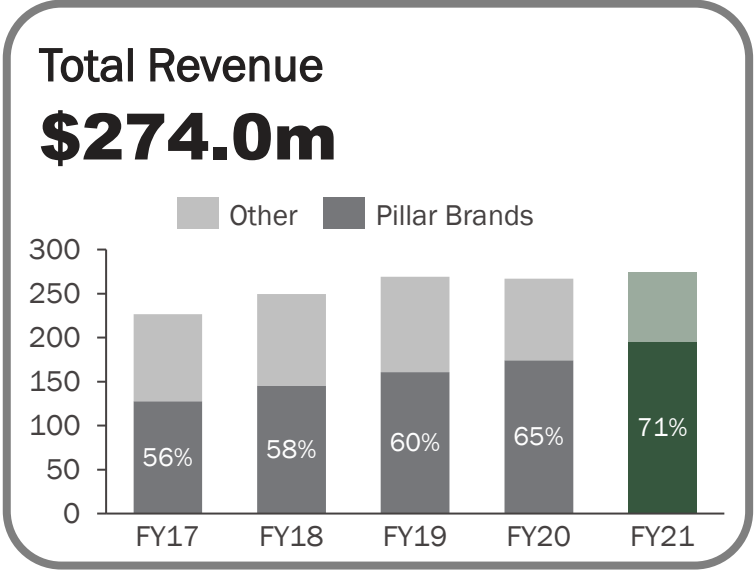
X2

Doubling Operating Cashflow to \$45m

ROCE



Strong financial performance



FY21 Performance by Segment

Australasia/North America	<ul style="list-style-type: none"> • 48% EBIT increase to \$9.0 million • McGuigan brand grew 3% due mainly to performance of McGuigan Zero • Tempus Two brand sales up 15%, Nepenthe up 8% and BVWC up 19% • Australian Division EBIT up 33% to \$6.5 million • Direct to Consumer division EBIT up \$1.3 million to \$1.8 million • New Zealand division EBIT down 16% to \$0.6 million
UK/Europe and Americas	<ul style="list-style-type: none"> • 55% EBIT increase to \$17.2 million • UK and Ireland division EBIT up 55% and 34% respectively • McGuigan brand sales up 17% • McGuigan ZERO brand performing exceptionally well • Americas recorded loss of \$0.1 million but improvement on last year
Asia	<ul style="list-style-type: none"> • China sales down \$2.1 million due to tariff • Other Asia sales up 6% but EBIT down as we build up the business • Total segment EBIT was only \$30k
Australasia/North America Bulk/Processing	<ul style="list-style-type: none"> • Increased EBIT of \$2.0m due to expiry of bulk wine sales contract in FY21
Vineyards	<ul style="list-style-type: none"> • EBIT improved by \$1.0 million due to increased grape yield from our vineyards.

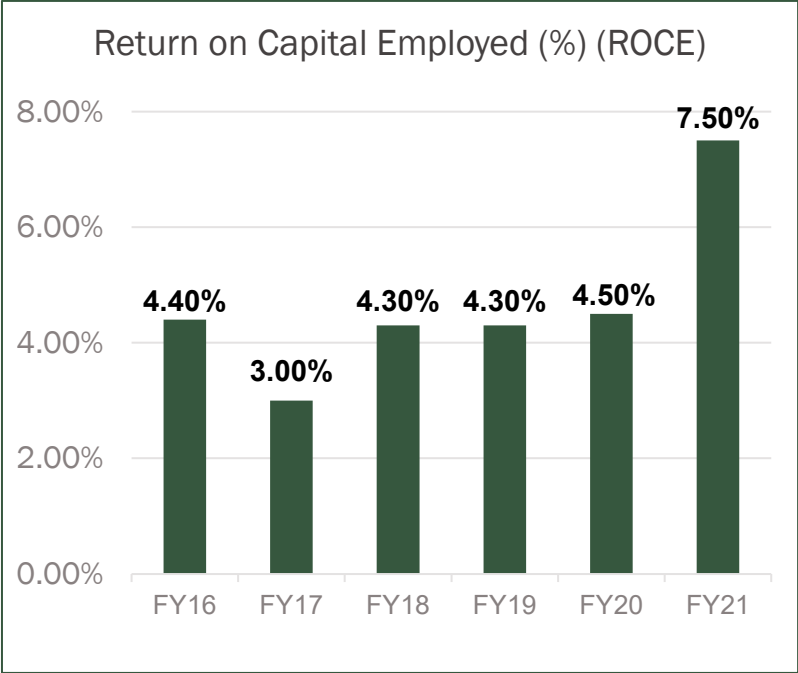
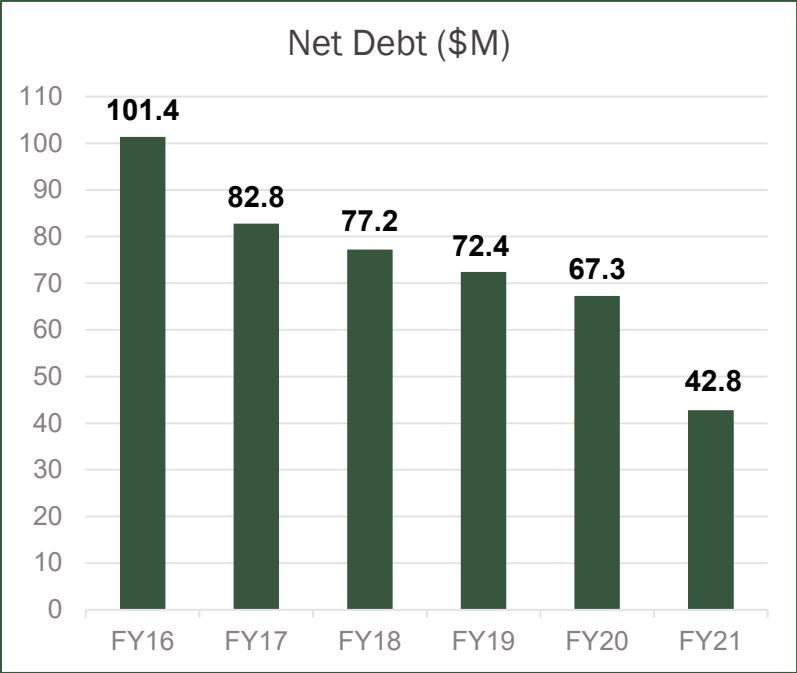
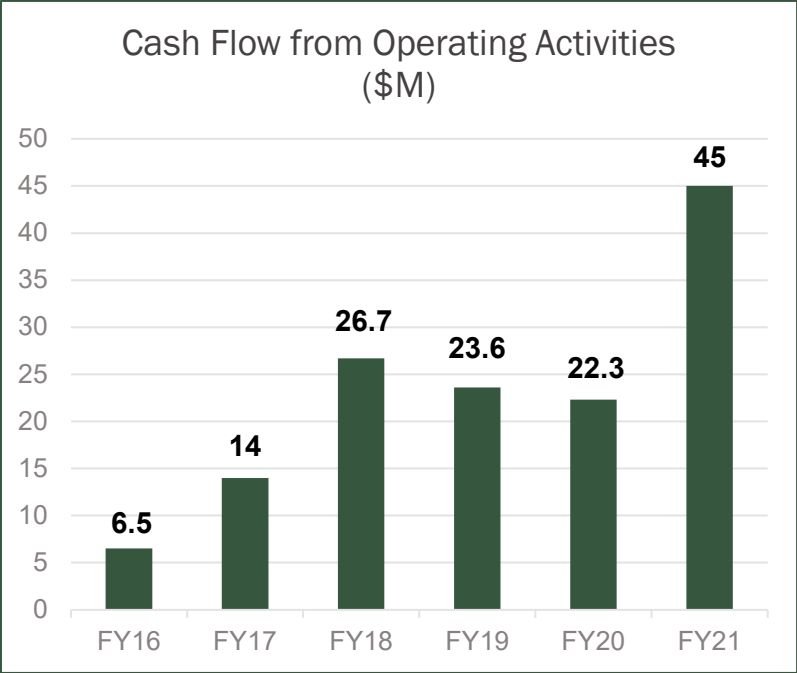
Outlook

- Forecast pillar brand sales, margins and market share to be up, confirming strategies are right.
- Year to date AVG is outperforming competitors and growing share.
- Logistic costs estimated at \$4.5M above prior year.
- Assuming no material change in foreign exchange currency rates, FY22 EBITs (earnings before interest tax and SGARA) estimated at 5% to 7% below last year.
- Excluding increased logistic costs forecast would have been 8% EBITs growth this year.
- Positive branded growth in the second half and full year as the logistics issues are temporary and returning to normality in the UK.
- Marketing continues at the same level in the second half as that of last year demonstrating full commitment to the strategic plan.
- The business is in a more robust position to absorb one off market issues such as the current logistics cost increases.
- Recent frost at one Riverland vineyard, together with declining red grape prices, will negatively impact SGARA.
- Not providing any Net Profit After Tax guidance until there is a clearer picture of next year's vintage.



FINANCIAL POSITION

Improving Financial Position



Formal Proceedings



To consider and receive the Financial Report, the Directors' Report and the Auditor's Report of the Company for the year ended 30 June 2021

Resolution 1

Election of Director – Naseema Sparks, AM

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That Naseema Sparks is re-elected as a non-executive director of the Company.”

Resolution 2

Election of Director – John Davies

To consider and if thought fit, pass the following resolution as an ordinary resolution:

“That John Davies is re-elected as a non-executive director of the Company”

Resolution 3

Adoption of Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That the Remuneration Report of the Company for the year ended 30 June 2021 be adopted”

Shareholder Questions



Close of Voting



Thank You

