AV
AUSTRALIAN VINTAGE

FY 2024 FULL YEAR RESULTS
August 2024

Presenters:
- James Williamson, Interim Chair and Interim CEO
- Adam Rigano, CFO
- Jeff Howlett, GM APAC
- Tom Dusseldorp, CMO

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AUSTRALIAN VINTAGE OVERVIEW

Experienced and stable senior management team delivering above industry performance

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

Jeff Howlett
General Manager – Asia Pacific

- 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 markets such as ANZ, USA, China, Russia, UK, Vietnam, and Thailand

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

Tom Dusseldorp
Chief Marketing Officer

- 15+ years experience in the Australian and UK marketing landscape, specialising in food and drink brands
- 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
- Holds a Bachelor of Wine Science from Roseworthy Agricultural College

AVG is a world-class consumer orientated business

AUSTRALIAN VINTAGE LTD

- Leader in consumer-led wine innovation with 2/3rd sales export focused
- Global leaders in dynamic no-and-low alcohol wine segment
- Trusted long-term relationships with growers, suppliers and customers
- Industry leading ESG credentials with B-Corp certification
- Modern production facilities with capacity to absorb planned growth
- Experienced and stable senior management team delivering above industry performance

FINANCIAL HIGHLIGHTS

2024 Highlights: Improved earnings despite challenging environment

- Generating $261 million revenue, 12% growth in EBITDA to $29.2 million
- Expanding footprint across Asia and the Americas following strong global demand, export accounting for 2/3 of total revenue
- Global leaders in dynamic no-and-low wine category (+20% revenue vs prior year)
- Experienced refreshed Board with proved track record in executing revenue growth strategies
- Liquidity secured with increased banking facilities and capital raise
- Revised strategy targeting free cash flow +$20 million per year & ROCE +8% by FY27
- Maximising utilisation of modern production facilities to support planned growth, industry partnership & consolidation opportunities
- Global best practice platform in ESG (B Corp certified)

2024 Highlights: Innovation, brand growth & cost outs improving underlying performance

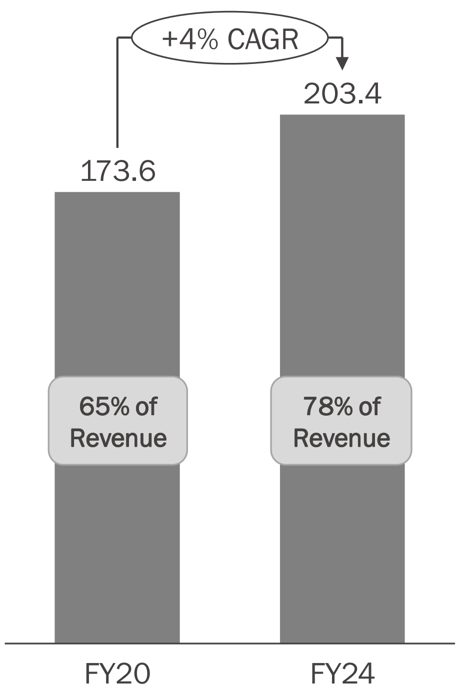
Revenue	EBITDAS (underlying)	EBITS (underlying)
$261M +1% on pcp	$29.2M +12% on pcp	$13.2m +25% on pcp

NPATS (underlying)	Net Debt	Net debt/ underlying EBITDAS
$5.3m +26% on pcp	$56.5M Vs $48.1m pcp	1.9X Post AASB16 leases; vs 1.8x pcp

Gearing	Net Tangible Assets	No final dividend declared
26% Vs 17% pcp	$0.60 Per share	

Investment in brands and innovation driving growth

Branded sales growth continues

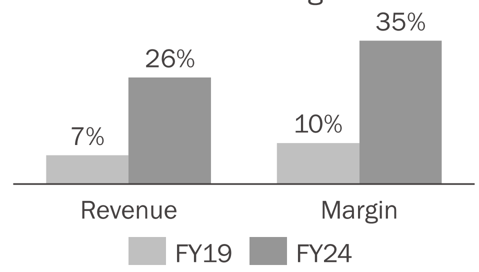


Premiumisation strategy working

	Sales $ CAGR from FY20
TEMPUS TWO	+7%
NEPENTHE	+13%
BAROSSA VALLEY WINE COMPANY	+6%
McGUIGAN WINES	+1%

Innovation delivering >1/3rd margin

- Innovation driving strong contribution to margin



Growth in no-and-low alc wine

- Global leaders in dynamic no-and-low wine segment
- No-and-low growing +20% vs prior year
- Now representing over 10% of group sales

STRATEGIC PLAN & INVESTMENT THESIS

Strategic Plan driving strong growth and cash performance

- Cashflow neutral in FY25 due to 70% of prior vintage grape payment in FY25 (in line with industry norms)
- +$10m targeted FCF in FY26 and +$20m in FCF and 8% ROCE by FY27
- Continue to invest in brands & innovation to drive growth
- Leverage existing export capability positioning for global new market expansion (China, rest of Asia, Americas)
- Leverage balance sheet reset to unlock new market opportunities
- Continued focus on cost-out programs to drive efficiencies
- Modern processing facilities with capacity to support planned growth
- Open to industry consolidation / partnership opportunities

Future growth will come from a combination of focusing on Pillar Brands in core markets, fast-tracking consumer led innovation and accelerating international expansion

Investing in Pillar Brands

- Investment in key brands and geographies
- Focus on retaining core consumers and recruiting next generation of wine drinkers

Step change consumer led innovation

- Industry leader in innovation over past 5 years; established no-low wine segment
- Consumer led disruptive innovation to premiumise and recruit

Accelerate international expansion

- Unlock new channels and geographies and expand reach in existing markets
- Deploy relevant brands and innovation to scale and premiumise portfolio at pace

Strategic plan positions AVG to deliver step change in Free Cash Flow and ROCE

FY25 – Year 1
Drive growth and optimise cost base

Board renewal underway ✓

Leadership well advanced ✓
- CEO
- Industry leading Executive team in place

Clear and aligned strategy ✓

Staff engagement and strong culture ✓

Balance Sheet strengthened ✓
- Stage 1 cost out ($9m)

Targeted Financials

Free Cash Flow	Neutral

FY 26 – Year 2
Drive growth and optimise cost base

Accelerate topline growth
- China and Rest of Asia
- Drive pillar brands in key markets (ANZ / UK)
- Category leading / margin accretive innovation pipeline

Cost out program
- Drive operational efficiencies
- Grape sourcing/cost reset
- Inventory utilisation

Targeted Financials

Free Cash Flow	+$10M to +$20M

FY 27 – Year 3
Accelerate Growth

Accelerate topline growth
- Unlock new geographies Middle East / India / Americas
- Continue to drive disruptive innovation at scale

Cost out program
- Operational footprint optimisation

Targeted Financials

Free Cash Flow	$20M+
ROCE	8%+
Earnings	in line with FCF

In summary…

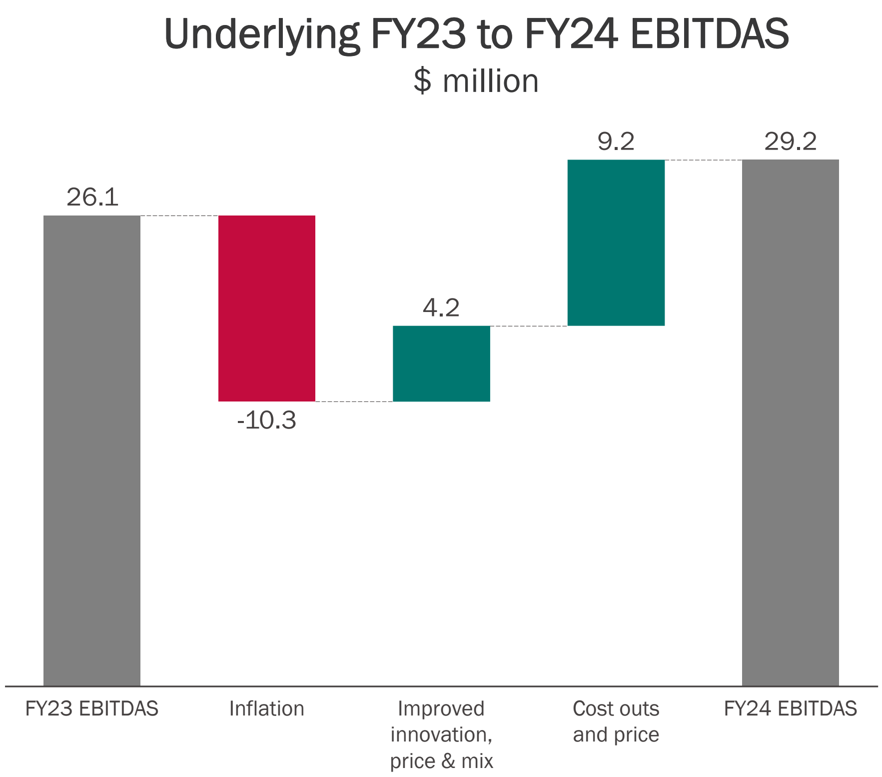
- Experienced management team with track record / confidence to execute on strategy coupled with refreshed board
- A focus on revenue and gross margin growth through innovation, geography and brand mix
- Large asset backing that will be leveraged into strong cash flow through more effective inventory utilisation
- Reducing fixed cost base – focus on accelerating shift to variable versus fixed grape supply agreements
- Target stronger FCF generation growing to FY27 +$20m pa and ROCE +8% with earnings more in line FCF
- Exploring potential for industry consolidation and collaboration opportunities to continue to improve asset utilisation and earnings

APPENDIX

Underlying income statement

Innovation and cost outs offsetting increased cost of doing business

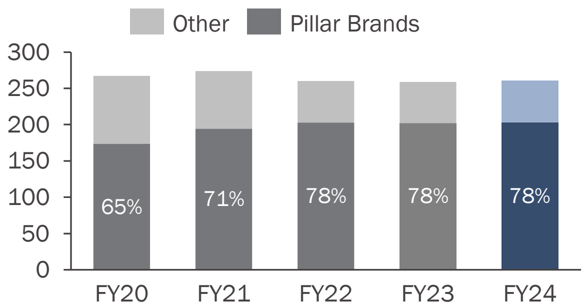
$m	FY24	FY23	Fav/ (Unfav) %
Revenue	260.6	258.6	1
EBITDAS	29.2	26.1	12
EBITDAS margin (%)	*11.2*	*10.1*	*1pp*
Depreciation and Amortisation	(16.0)	(15.5)	(3)
EBITS	13.2	10.6	25
EBIT margin (%)	*5.1*	*4.1*	*1pp*
Finance costs	(5.7)	(4.5)	(25)
PBTS	7.6	6.0	26
Tax (expense)	(2.3)	(1.8)	(26)
NPATS	**5.3**	**4.2**	**26**
NPATS margin (%)	*2.0*	*1.6*	-



Improved underlying performance across all key metrics

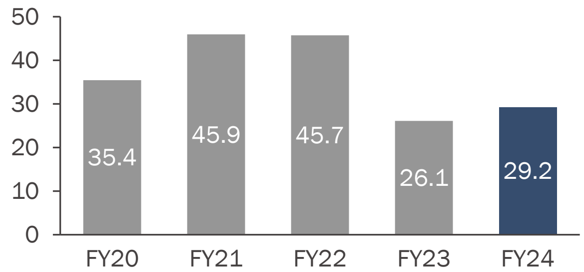
Total Revenue

$260.6m



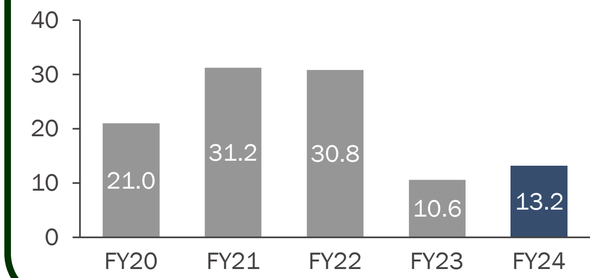
EBITDAS

$29.2m (underlying)



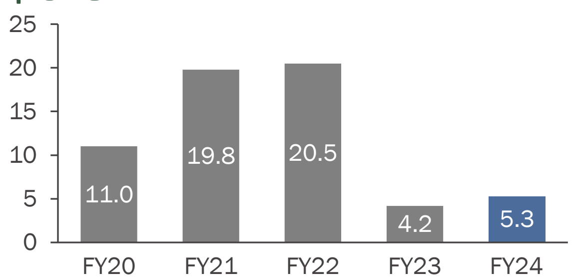
EBITS

$13.2m (underlying)



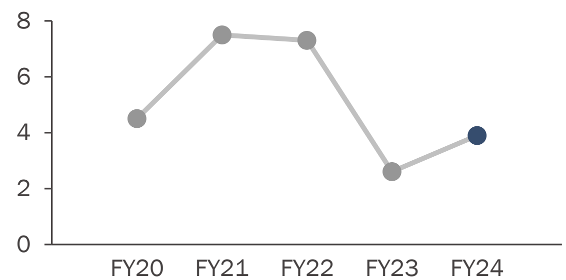
Net Profit After Tax (Underlying pre SGARA)

$5.3m



Return on Capital Employed

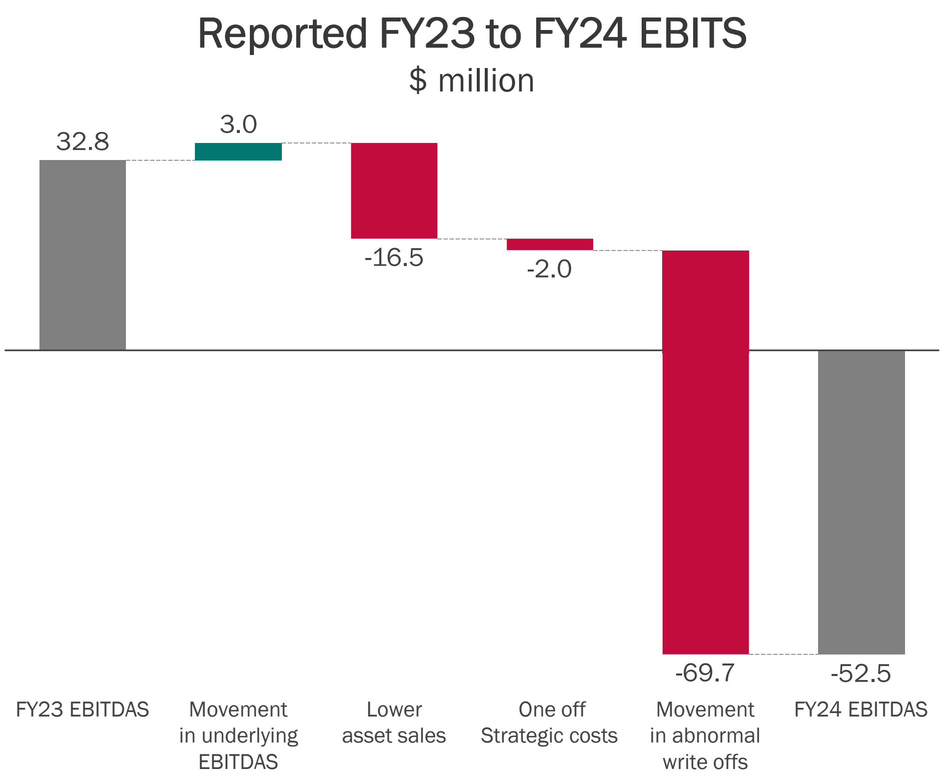
3.9% (underlying excluding bank debt as current liability)



Reported income statement

Reported earnings impacted by lower asset sales and abnormal write offs

$m	FY24	FY23	Fav/ (Unfav) %
Revenue	260.6	258.6	1
EBITDAS	(52.5)	32.8	(260)
EBITDAS margin (%)	*(20.1)*	*12.7*	*(33pp)*
Depreciation and Amortisation	(16.0)	(15.5)	(3)
EBITS	(68.5)	17.3	(497)
EBIT margin (%)	*(26.2)*	*6.7*	*(33pp)*
Finance costs	(5.7)	(4.5)	(25)
PBTS	(74.2)	12.7	(684)
Tax (expense)	(12.0)	-	N/A
NPATS	**(86.2)**	**12.7**	**(777)**
NPATS margin (%)	*(33.0)*	*4.9*	*(38pp)*



Cash flow

Operating and Free cash flow improvement over prior year

$m	FY24	FY23	Var
Net cash from operations prior to balance sheet movements	**11.3**	**2.6**	**+8.7**
Other movements in asset/ liabilities	(2.0)	(9.3)	7.3
Movement in working capital (excludes impairment)	(20.3)	(6.0)	-14.3
Net cash from operations	**(11.0)**	**(12.7)**	**+1.7**
PPE & intangibles	(8.1)	(10.8)	2.7
Asset sales	5.4	68.2	-62.8
Net investing cash flows	**(2.7)**	**57.5**	**-60.2**
Capital raise	13.9	-	13.9
Dividends	-	(8.6)	8.6
Leases	(8.6)	(9.8)	1.2
Total cash flow from activities prior to debt	**(8.4)**	**26.4**	**-34.8**
Proceeds/ (repayments) of borrowings	7.5	(22.0)	29.5
Net increase in cash	***0.9***	***4.4***	***-3.5***

- Cash flow from operations prior to working capital and balance sheet movements has improved significantly over prior year +$9m
- Working capital impacted by higher inventory from higher throughput & Red Sea delays, timing of sales in the UK and timing of payments from customers
- Free cash flow excluding the capital raise, assets sales and dividend payments has improved by $6m over the prior year
- Capital raise, net of raise costs, generated $13.9m in proceeds
- Ongoing focus on driving positive free cash flow through inventory utilisation, improved turnover and reduced costs

Net Debt

Reducing net debt through a range of management actions

Underlying	FY24	FY23
Net Debt (excl leases) $m	56.5	48.1
Facilities Available $m	99.4	89.4
Net debt (excl leases) / EBITDAS (post AASB16)	1.9 times	1.8 times
Gearing (net debt/equity)	26%	17%
Leverage (net debt/ net debt + equity)	21%	14%
Net Tangible Assets per share	0.60	0.90
ROCE (EBITS/ Capital Employed)	3.9%	2.6%

- Net debt in line with expectations
- Underlying Net debt/ EBITDAS 1.9 times on post lease basis
- Gearing and Leverage at strong levels
- Ongoing focus on free cash flow to reduce debt further

Strong balance sheet

$m	FY24	FY23	% change
Cash & equivalent	6.0	6.9	(13%)
Receivables	48.7	43.4	12%
Inventories	201.7	217.1	(7%)
Plant & Equipment	96.1	99.2	(3%)
Goodwill/ intangible	7.5	44.9	(83%)
Other	55.4	68.8	(19%)
Total Assets	**415.4**	**480.3**	**(14%)**
Payables	56.6	50.5	(12%)
Borrowings	62.5	55.0	(14%)
Other	82.7	73.9	(12%)
Total Liabilities	**201.8**	**189.2**	**(7%)**
Shareholders Equity	**213.6**	**291.1**	**(27%)**

AV | Australian Vintage is B Corp Certified

As a B Corp, Australian Vintage meets high standards of verified impact, transparency and accountability across environment, social responsibility. governance and community.

We are proud of the impact we have delivered to gain our certification

All AVG Sites	Powered by	Waste removed	Weight	Inclusive	Reduction in
SUSTAINABLE WINEGROWING AUSTRALIA · CERTIFIED ·	85%	311K kgs	+1M kgs	INCLUSIVE EMPLOYER 2023 - 2024	17%
Certified	Renewables	From landfill	Removed	Employer	Emissions

Definitions

- 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 = EBITS/ (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