



ASX ANNOUNCEMENT

18 November 2021

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ASX: GDA

**MANAGING DIRECTOR'S AGM ADDRESS TO SHAREHOLDERS –
ANNUAL GENERAL MEETING 2021**

Please find attached Managing Director John Hoedemaker's presentation to Shareholders at today's Annual General Meeting.

A video recording of the Company's Annual General Meeting will be available tomorrow on the Company's website under <https://gooddrinks.com.au/media/>.

-END-

This announcement has been authorised by the Company Secretary.

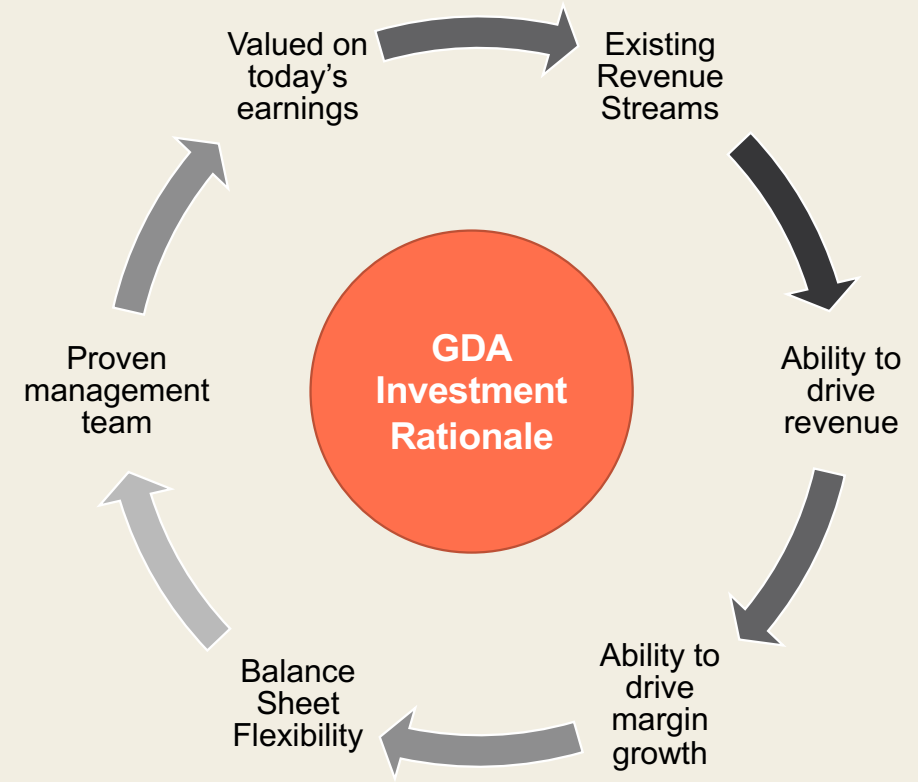
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2021 Annual General Meeting

GOOD DRINKS AUSTRALIA | ASX: GDA



Ian Olson

Non-Executive Chairman



Proxy Votes

Resolution	For	Against	Discretionary
1 Adoption of Remuneration Report	613,791,009	4,090,996	768,106
	99.2%	0.7%	0.1%
2 Re-Election of Director - Ian Olson	729,465,409	6,361,520	802,346
	99.0%	0.9%	0.1%
3 Share Consolidation	735,499,446	1,420,329	1,123,446
	99.7%	0.2%	0.2%

Resolutions

	Item	Resolution
1	Adoption of Remuneration Report	<i>“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company’s annual financial report for the financial year ended 30 June 2021.”</i>
2	Re-Election of Director – Ian Olson	<i>“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Ian Olson, a Director, retires by rotation, and being eligible, is re-elected as a Director.”</i>
3	Share Consolidation	<i>“That, for the purpose of Section 254H(1) of the Corporations Act and for all other purposes, the Shares of the Company be consolidated through the conversion of every ten (10) Shares held by a Shareholder into one (1) Share with any resulting fractions of a Share rounded up to the next whole number of Shares with a corresponding consolidation of all other securities on issue, with the consolidation to take effect in accordance with the timetable and otherwise on the terms and conditions set out in the Explanatory Statement that forms part of this Notice of Meeting.”</i>

John Hoedemaker

Managing Director



FY21 in Review

A great year:

- EBITDA: \$10.7m, **up 1,683%**
- Revenue: \$51.6m, **up 40%**
- Gross Profit: 69%, up from 66%
- Good Drinks Volume: 11.4m L, **up 45%**
- Total **Sales** Volume: 17.1m L, **up 39%**
- Total **Production** Volume: 19.8m L **up 53%**

Management P&L	Good Drinks Core	Good Drinks Hospitality	Consolidated FY21
Volume (million Litres)	14.3	0.1	14.4
Revenue	51.6	2.8	54.4
Cogs	(16.1)	(1.0)	(17.1)
Gross Profit	35.5	1.8	37.3
GP%	69%	64%	69%
Variable Costs	(8.1)	(1.4)	(9.5)
Gross Contribution	27.4	0.4	27.8
Sales & Marketing	(9.9)	-	(9.9)
Operating Costs	(8.7)	(0.9)	(9.6)
Operating EBITDA	8.8	(0.5)	8.3
AASB 16 Lease Adjustment	1.0	0.4	1.4
JobKeeper	1.0	-	1.0
Statutory EBITDA	10.8	(0.1)	10.7

The Good Drinks Strategy (20m Good Drinks Litres By FY25)



Become #1 independent supplier to the national beer market



Brands that drive sustained margin growth



Maintain our flexible, large-scale manufacturing advantage



Opportunities

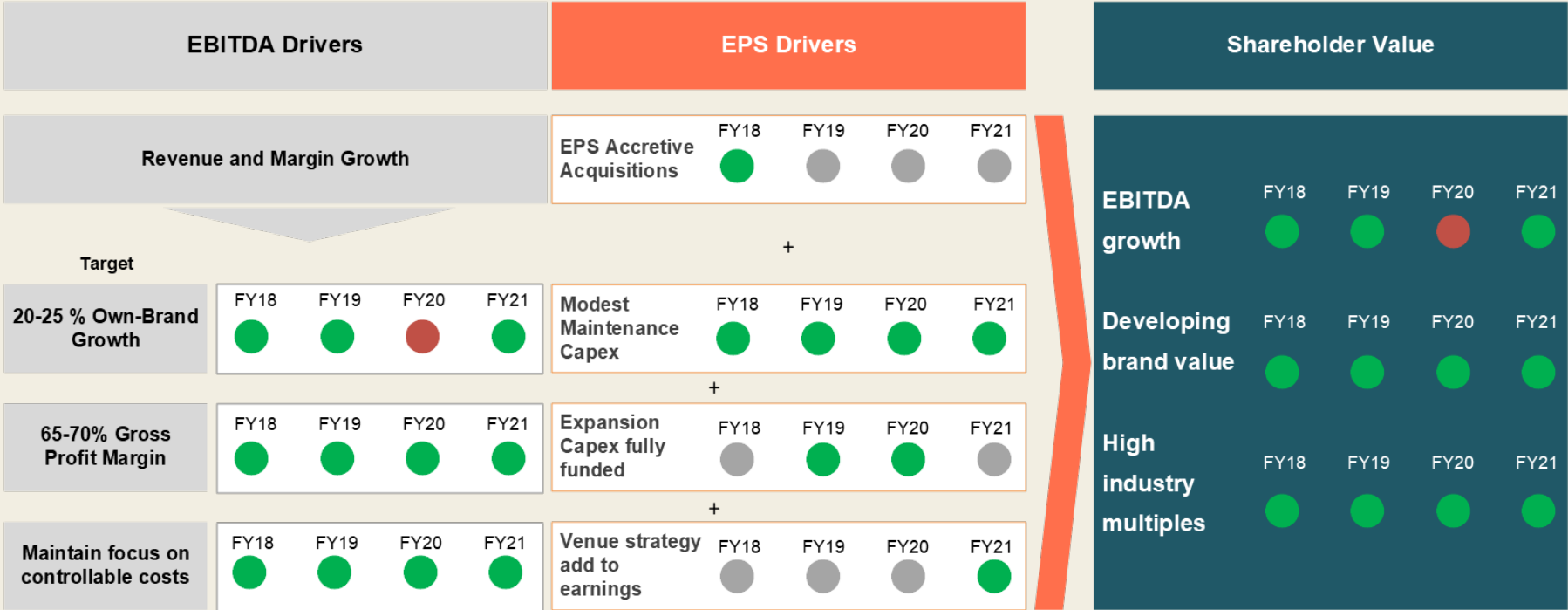
- Untapped east coast market
- Access broader categories of the liquor market



Targets

- 20mL of own brands by FY25
- 20-25% own-brand growth per annum
- 65-70% gross profit target
- Consistent EBITDA growth per annum

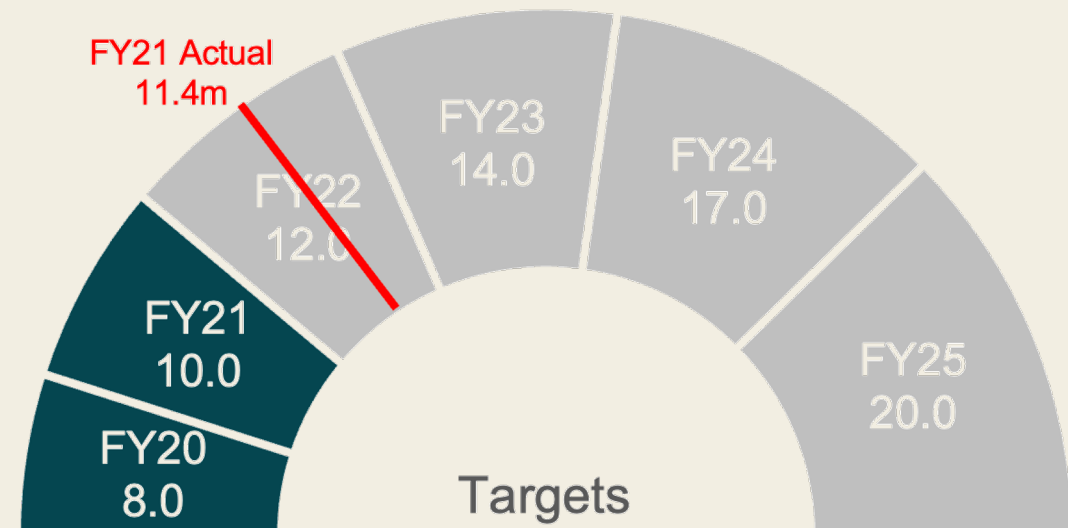
Shareholder Value Proposition and Company Performance



Targets and Progress

- GDA brands grew 45% YOY to 11.4M Litres in FY21
- With strong summer sales expected to meet or exceed FY22 target of 12M Litres
- Targets based on Good Drinks strategy to grow own-brand by 20% - 25% YOY

20M GDA Litres by FY25 Targets and Progress



Good Drinks Sales Snapshot



Become #1 independent supplier to the national beer market

- Sales team expanded in FY21, right-sized for FY22
- Work done in Q1 with key accounts builds foundation for success for Christmas key trading period
- On-premise activations in key venues to drive awareness and sales
- Retailers seeking increased margin returns, however, GDA margin target 65%-70% remains
- COVID (NSW/VIC)
 - Fewer drinking occasions with expanded consumption
 - Closures of on-premise led to fewer opportunities for trial

WHARF BAR



MAYA



BURLEIGH PAVILION



The Ville

Good Drinks Marketing Snapshot



Brands that drive sustained margin growth

- Craft beer market continues to grow 25%, driven by new product development (NPD)
- Cans continue to be a major growth driver for the market
- GDA well placed to take advantage
- No/Low alcohol is emerging growth category
- Atomic brands recently refreshed to reflect Redfern character
- Events to provide 1M brand-in-hand trial opportunities in FY22
- FY22 marketing investment \$6M



Good Drinks Venue Snapshot



Brands that drive sustained margin growth

- Being local to market becoming increasingly important for brands, GDA venue strategy delivers on that
- *Atomic Beer Project Redfern:*
 - Now operating at near full capacity, trading profitably
 - No material losses sustained during COVID shutdowns
 - Great consumer experience
- *Matso's Queensland:*
 - Settled this week
 - Funded via existing debt facility
 - Will operate "as is" during summer before redevelopment into exciting Matso's experience
- *Gage Roads Fremantle:*
 - Construction in the final stages
 - Brewhouse being installed
 - Planned to open January 2022
 - Expected to contribute to group earnings



Good Drinks Manufacturing Snapshot



Maintain our flexible, large-scale manufacturing advantage

- Investments into canning line coincides nicely with growth in demand for can products
- Good production efficiencies achieved in lead up to summer
- Good inventory levels to service demand spikes and smooth production profile
- Strategy to diversify supply partners throughout Asia and Middle East de-risked supply chain, but some costs are increasing, Cost of goods target maintained at \$1/Litre
- Labour and freight cost increases expected, variable costs target of 40-50c/Litre maintained
- Capacity study underway to investigate additional capacity on current site with modest investment



Outlook

- Strong sales during Christmas key trading period to deliver a successful H1
- Best ever promotional programs and activations in place with key customers
- Indications of strong consumer confidence in NSW post lockdown
- Contract brewing to reduce in H2 and FY23 in line with Good Drinks strategy
- Joe's Waterhole in Eumundi onboarded in November and will be operating for the full H2.
- Gage Roads Fremantle venue set to open in January
- Good Drinks Strategy on track

