# FY23 RESULTS

GAGE ROADS Brew Co

MATSO'S BROOME & SUNSHINE COAST

RIDER LITE

ALBY LAGER

Hello Sunshine Apple Cider

ATOMIC

Coors

Miller

MAGNERS IRISH CIDER

San Miguel

# OUTLINE



GAGE ROADS
Single Fin
SUMMER ALE
GAGE ROADS
Single Fin
SUMMER ALE

# FY23 HIGHLIGHTS

- GDA doubled retail market Share to 2.5%[1] (Australian total beer market)
- Revenue ▲52% to $106.2m
- Good Drinks Own-Brand Volume ▲6% to 13.6m litres
- Total Volume ▲34% to 26m litres
- Gross Profit ▲27% to $60m
- Good Drinks Hospitality EBITDA $6.1m
- Good Drinks Core EBITDA $0.9m
- FY23 Group EBITDA $7.0m

[1]Source (IRI MarketEdge Australia Liquor Weighted MAT To 02/07/23)

# GOOD DRINKS CORE

- GDA continued to outperform the retail beer market in challenging market conditions
- Draught beer up 29%
- Timely integration of international partner brands mitigated reduction in contract brewing
- Sales & Marketing investment increased to $18.5m, up 38%
- Future-proofed production capacity through lease of adjoining land (5,042m$^2$ )
- Core earnings lower than expected due to:
  - Higher COGS – supply chain disruption
  - Softer consumer spending and lower selling prices
  - Sales & Marketing expenditure high relative to actual sales
  - Inflation impact on operating cost structure

# GOOD DRINKS HOSPITALITY

- Record $6.1m EBITDA contribution from hospitality, fantastic result
- Includes $1.6m gain from sale of Qld gaming licenses
- $29m revenue generated, up 220% (full 12 months trading)
- 16% EBITDA margin (excl. gain from gaming licenses sale)
- Expect continued consistent earnings from hospitality segment
- Venues provide amazing brand experiences and are a great touchpoint for consumers
- Matso's Sunshine Coast to open late 2023

# FINANCIAL RESULTS

- Strong EBITDA contribution from Hospitality segment (includes $1.6m gain from sale of gaming licenses)
- Core affected in FY23 by:
  - Price realisation: competitive market forces led to temporarily lower revenue per litre, has since recovered
  - Supply chain disruptions: COGS increased due to international freight costs surge, has since normalised
  - Sales & Marketing: maintained investment in line with original plan despite lower margins
  - Contract brewing: FY23 completed transition away from contract brewing

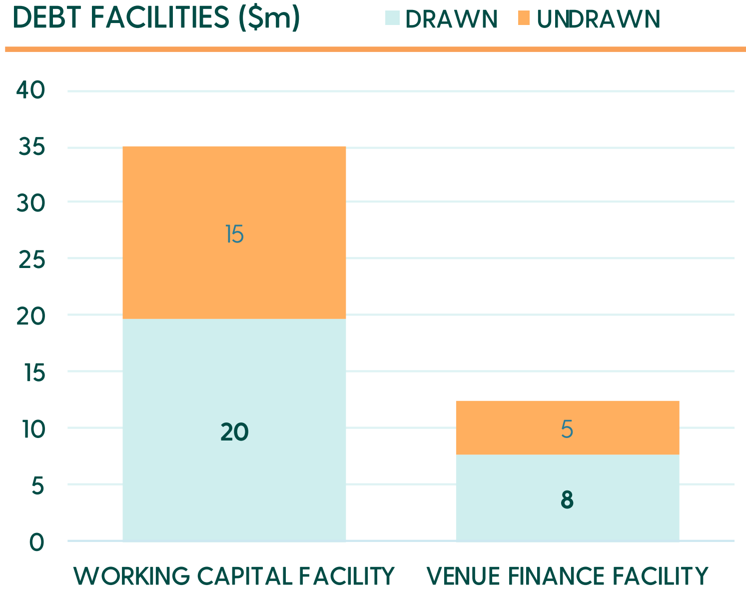
| FY23 | Good Drinks Core | Good Drinks Hospitality | Group |
|---|---|---|---|
| Litres Sold | 25.9 | 0.3 | 26.2 |
| Revenue | 78.0 | 29.0 | 107.0 |
| Cogs & Variable Costs | (49.3) | (19.4) | (68.7) |
| Gross Contribution | 28.8 | 9.6 | 38.3 |
| *GC %* | *37%* | *33%* | *36%* |
| Sales | (8.0) | - | (8.0) |
| Marketing | (10.5) | - | (10.5) |
| Operating Costs | (9.4) | (3.4) | (12.9) |
| **EBITDA** | **0.9** | **6.1** | **7.0** |

# CASHFLOW AND BALANCE SHEET

- Facilities and Cash on hand appropriately funding existing growth strategy
- $15.5m strong cash position
- Improved working capital cycle through addition of hospitality segment
- Repaid $3.2m of borrowings
- $5.0m proceeds from sale of gaming licenses funds $5.5m Matso's Sunshine Coast development
- Capex spend $3.9m
  - $2.0m maintenance and plant improvements
  - $1.0m pre-development works Matso's Sunshine Coast
  - $0.9m trailing works Gage Roads Freo

| CASHFLOW RECONCILIATION | $'000 |
|---|---|
| Opening Cash 1 July 2022 | 5,683 |
| Operating Result | 5,444 |
| (Increase) in receivables | (1,729) |
| Decrease in inventory | 677 |
| (Decrease) in trade and other payables | (1,335) |
| Drawdown from Working Capital Facility | 8,772 |
| Repayments of Venue Finance Facility | (3,160) |
| Proceeds from Sale of Gaming Licences | 4,948 |
| CAPEX Spend | (3,846) |
| Closing Cash 30 June 2023 | 15,454 |

DEBT FACILITIES ($m)



# OUTLOOK

- Maintain investment in sales capability and marketing aligned with revenue and market share expectations
- Prioritise this investment to drive growth of core brands in key geographic markets
- COGS normalising
- Exploring one additional venue to support Gage Roads brand
- Exciting innovation pipeline in high growth segments
- Matso's Sunshine Coast opening in late 2023
- Cost of living pressures and softer discretionary spending to continue, no longer providing short term earnings guidance
- However, we are confident that maintaining our strategy of growing market share of own-brands to 20m litres



GOOD DRINKS AUS™