AUSTRALIAN VINTAGE

FY 2023 FULL YEAR RESULTS
August 2023

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Highlights: full year 2023 results

AVG strategic plan on track despite tough trading conditions

- Revenue of **$258.6m** in line with prior year
- AVG continued to win market share, take price and grow the mix of the premium portfolio
- Innovation and premium brands represent over 35% of margin
- Global leader in no-and-low with world leading technology
- Austflavor double digit growth over prior year
- People remain number one priority with improvements in diversity, safety and engagement
- High confidence in future performance as cost reductions occur

Highlights: full year 2023 results

Industry characterised by low margins, heavy discounting and one of the lowest vintages in decades

Hyperinflation absorbed

$18M

Pre-tax costs largely sea freight and energy costs

EBITDAS (underlying)

$26.1M

In line with guidance

EBITS (underlying)

$10.6m

In line with guidance

NPATS (underlying)

$4.2m

In line with guidance

Net Debt

$48.1M

Reduction of 26M

Net debt/EBITDAS

1.8X

Post AASB16 leases

Gearing

17%

Leverage at 14%

Net Tangible Assets

$0.90

Per share

No final dividend declared

Net Debt/ EBITDAS pre AASB16 leases is 3.4 times

Our strategic plan continues to position us well for growth

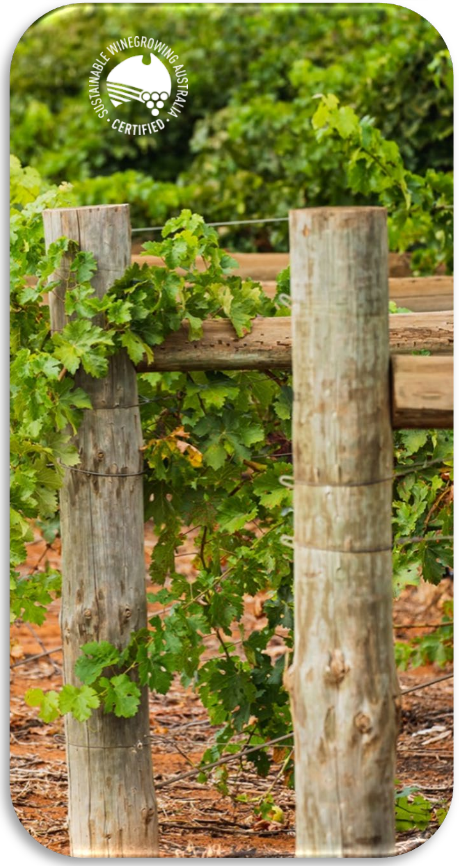
Consumers and Brands

Markets and Customers

People

ESG

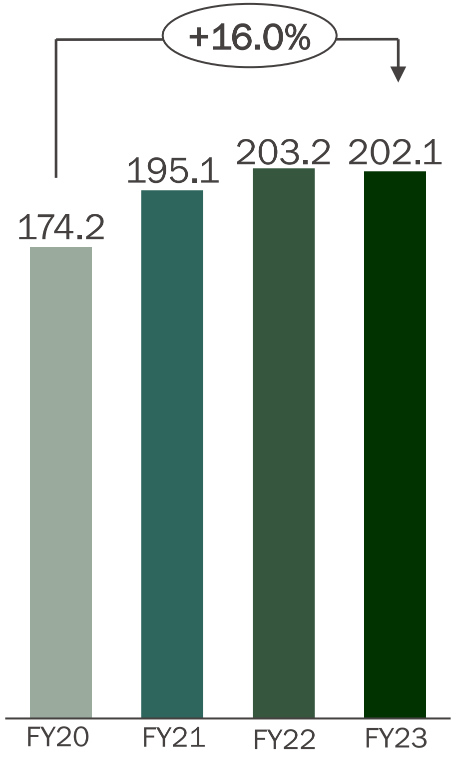
Return on Assets



Investment in brands, premiumisation and innovation offset declines in value segment

Pillar brands maintain 78% of total revenue

$M Sales



Premiumisation strategy is working

TEMPUS TWO	+3%
NEPENTHE	+21%
BAROSSA VALLEY WINE COMPANY	+5%
McGUIGAN WINES	-6%

Winning in key geographies

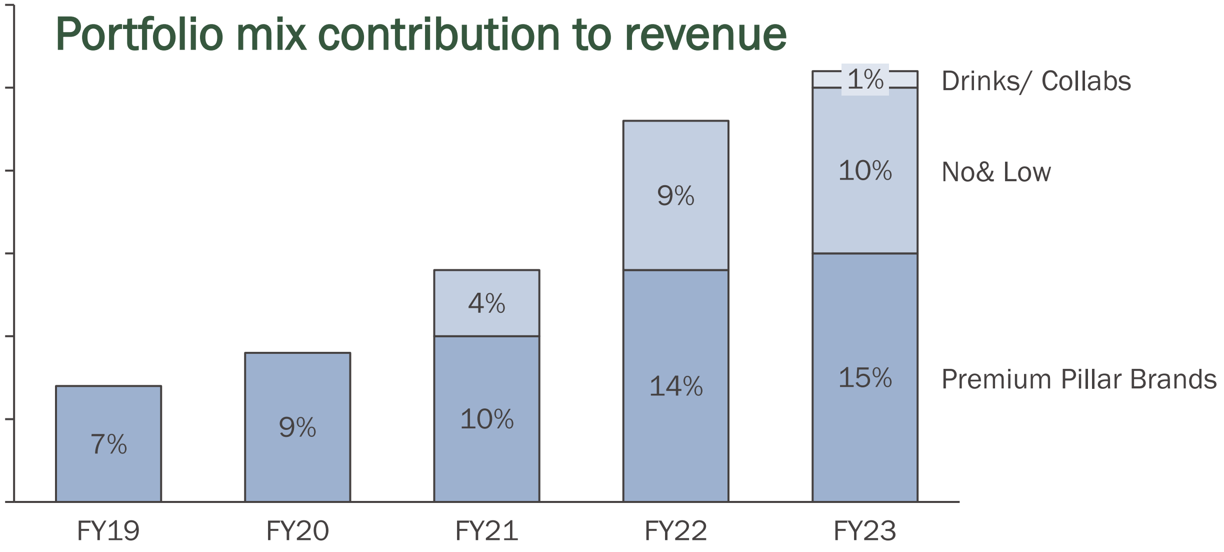
- +1pp
- Flat (total) +34pp (zero)
- +9pp
- Flat
- +14pp (Asia)

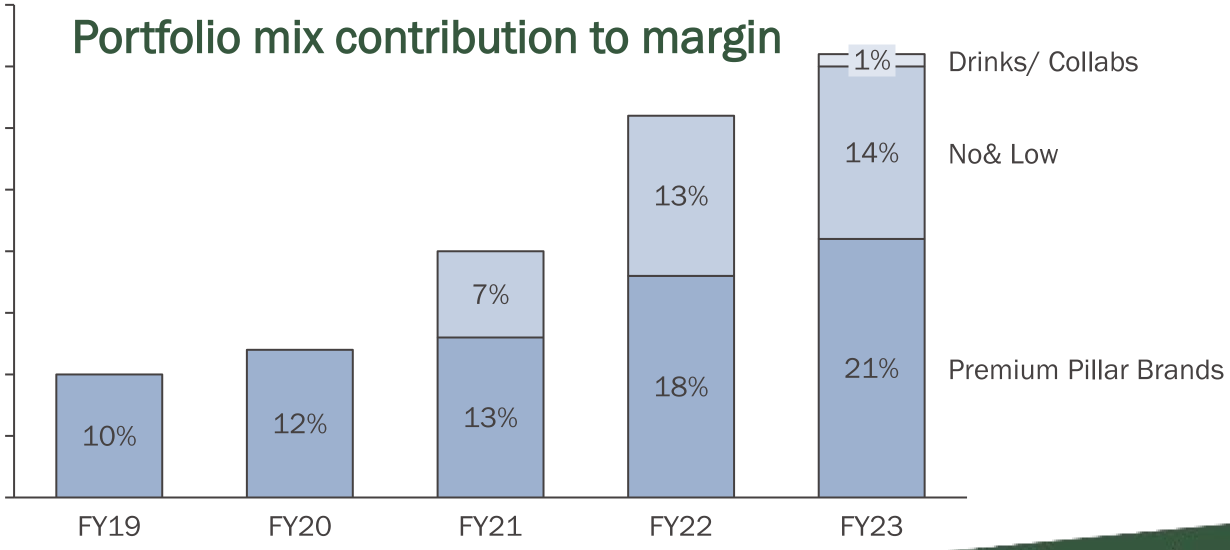
Summary

- Portfolio growth in line with strategic plan
- Price taken
- Global leaders in no-and-low
- Best in class innovation pipeline
- Positive Drinks Business bottom line
- Increased marketing investment of $3.5m
- McGuigan down 6% post Covid boost, ahead of market value segment

Strategic plan driving incremental value with innovation and premiumisation now over 35% of margin

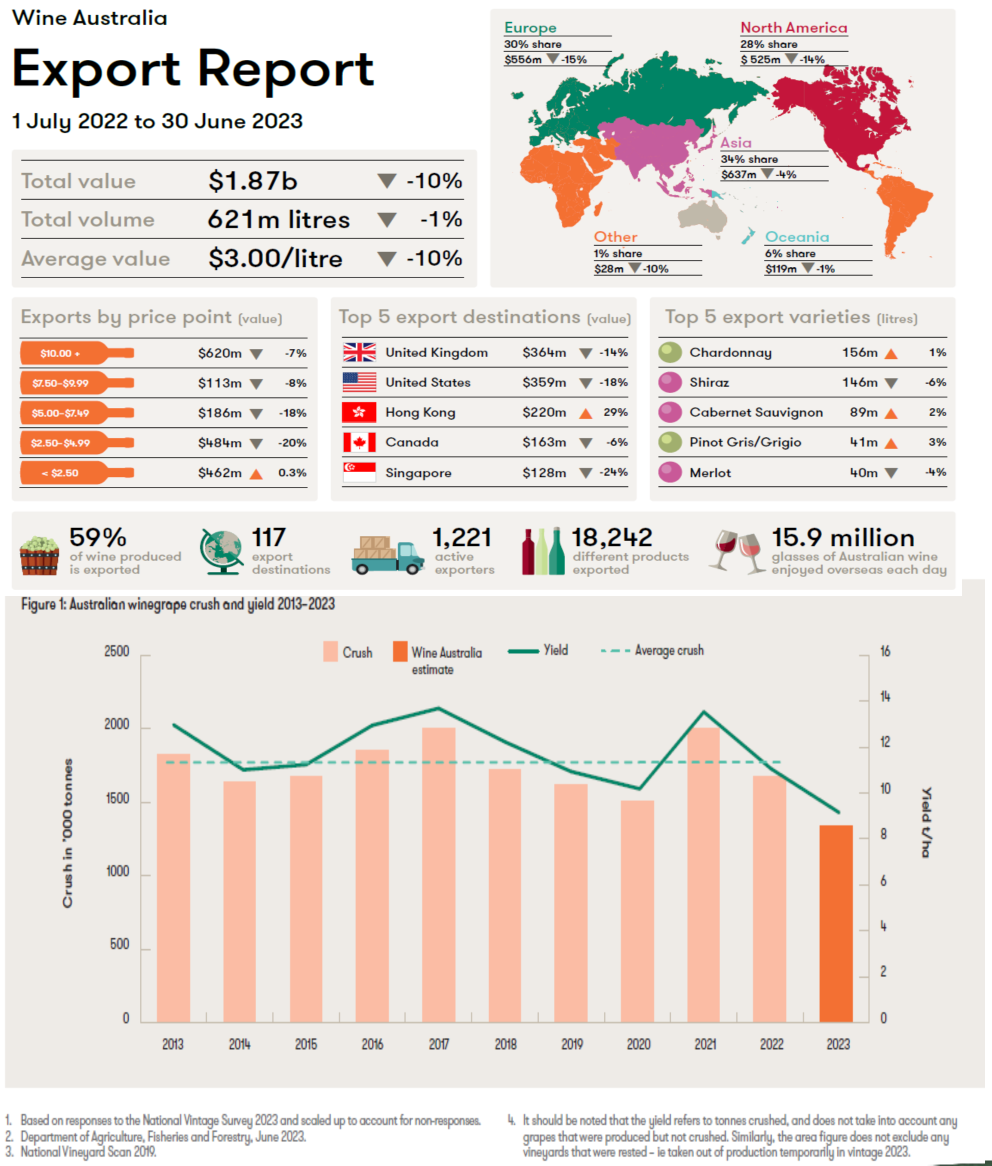
- Premiumisation of pillar brands represents 15% of revenue and 21% of margin, double their contribution from FY20
- Global leadership in No and low category accounts for 10% of revenue and 14% of margins
    - Innovation is utilizing the upcoming ABV tax in the UK as an opportunity
    - New Not Guilty brand launched globally in FY23 with McGuigan Mid launching in Q2 FY24
    - No and low grant of $3m being facilitated to drive greater innovation in category (AVG lead role)
- Innovation into drinks and collaborations contributing 1% to the portfolio, however breakeven in the first year
    - Launched Sevenly by Sarah Jessica Parker, Butchers Cellar and Sooshi Mango
    - Tempus Two Shiraz gin won double gold San Francisco, double gold Singapore, Masters Medal 23 Gin Masters Award
    - Nepenthe Hot 100 brand in Australia
- Strategically important for more diverse and higher margin business, led by consumer needs



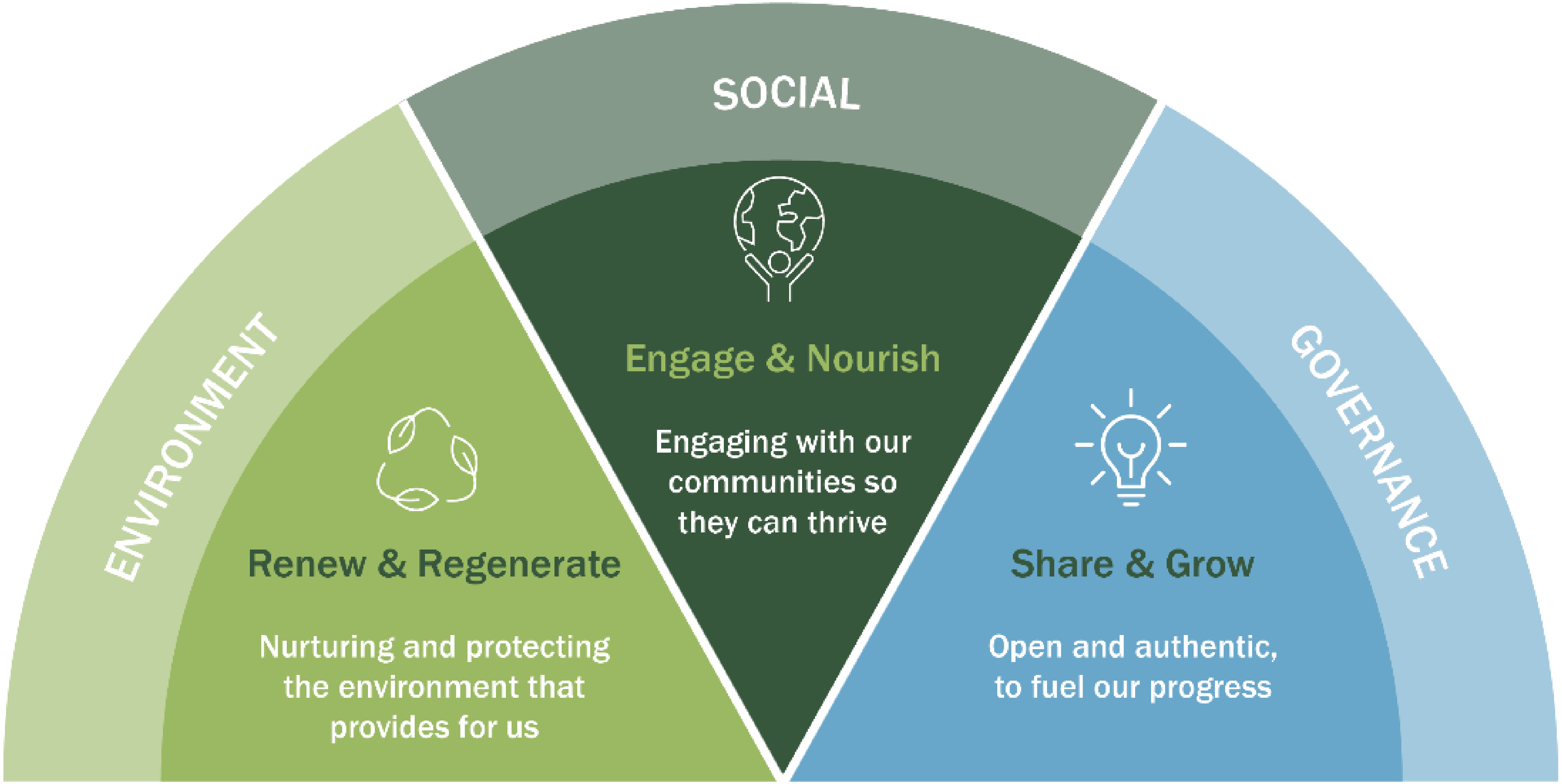


External operating environment

- FY 23 wine export value declines 10%, Europe declines 15% and North America declined 14%
- 2021 and 2022 vintages oversupply, lower exports, generating unsustainable grape sourcing and marketplace behaviour
- Hyperinflationary costs of $18m, from sea freight and energy, absorbed with signs of easing
- Challenging overall market FY23 vintage with significantly lower yields of 1.3 million tonnes (lowest in decades)
- Market dynamics impacting crush throughput of 80ktonnes resulting in prudent one-off under-utilisation write off of $9m
- Yield on AVG owned and leased vineyard down 9%, outperforming overall market
- Market dynamics impacting Weighted District Average price for red grapes impacting SGARA adjustment by $8.7m post tax
- Standing in market buying quality parcels at best cost to drive premium strategy at higher margin



ESG underpinning our business strategy



Climate action towards Net Zero

AVL is committed to NET ZERO carbon emissions by 2040, across Scopes 1, 2 & 3. We have taken a science backed approach, to be validated by the Science Based Targets Initiative.

2030

42% Reduction in Scope 1 & 2 emissions

52% Reduction in Scope 3 GHG emissions per production unit

2040

NET ZERO

Across Scopes 1, 2 and 3

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

ESG highlights

- Vineyards and winery sites certified with Sustainable Winegrowing Australia.
- Sustainable packaging initiatives to reduce weight, increase recycled content and encourage recycling.
- B Corp impact assessment submitted for global certification
    - Highest standards of social and environmental performance, public transparency, and legal accountability to balance profit and purpose
    - Australian Vintage B Corp audit scheduled for H1 FY24

ESG highlights

People are our highest priority

- Employee engagement at Top Quartile
- Behaviours led inclusive culture - *Drinks Association* 2023 Most Improved Gender Equity Award
- Gender pay gap reduced from 9% to 4%
- Safety and wellbeing cultural improvement with a 41% reduction in TRIFR
- Market leading employee benefits implemented
- Mental Health First Aid Skilled Workplace accreditation
- Investment in leadership and high potential employees
- Development of cultural awareness and community engagement programs – Belonging at AVG committee
- Supporting responsible enjoyment of alcohol via DrinkWise

Leverage assets, know-how and raw alcohol surplus to support high margin growth

Collaborations	SEVENLY; LOXTON Wines of Australia; THE BUTCHER'S CELLAR; SMOKY BAY; Johnny, Vince & Sam's VINO by Sooshi Mango
Drinks	RESCUED SPIRIT Co.; MR. STUBBS YOUR PERSONAL BARTENDER; GELATO DRINKCo DESSERT INSPIRED DRINKS
Pillar Brands	TEMPUS TWO; McGUIGAN WINES; NEPENTHE; BAROSSA VALLEY WINE COMPANY; NOT GUILTY

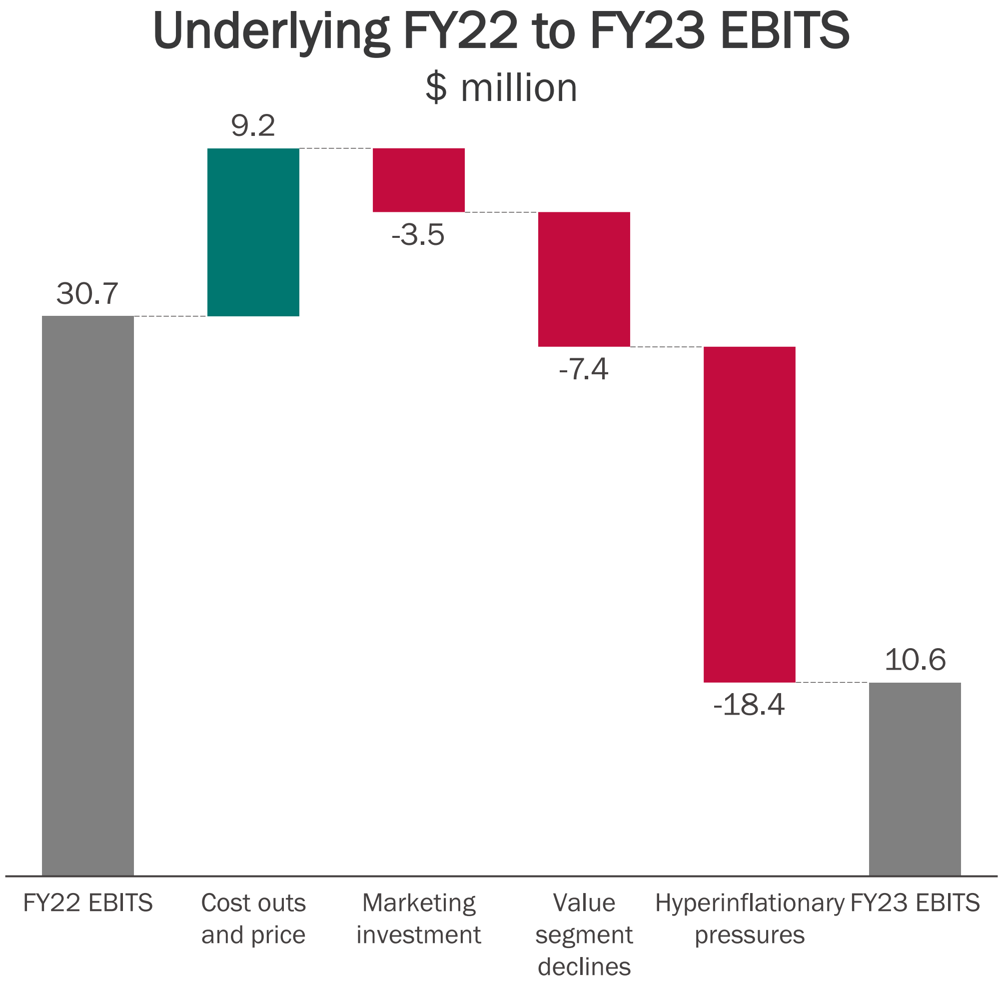
Drinks business and collaborations have achieved over 7k distribution points in a short time and growing whilst positively contributing to the bottom line

Underlying income statement

Result impacted by short term hyper-inflationary costs

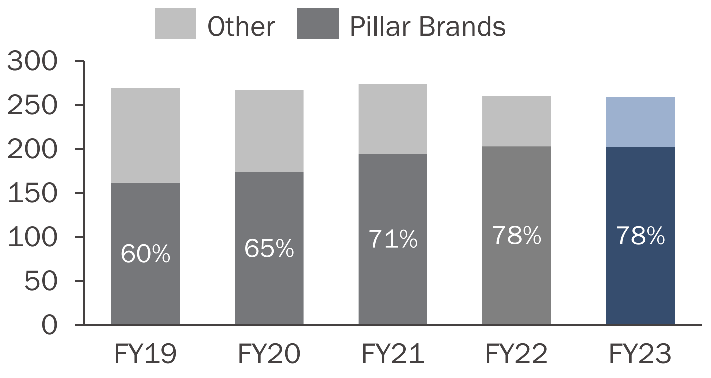
$m	FY23	FY22*	Fav/ (Unfav) %
Revenue	258.6	260.1	(1)
EBITDAS	26.1	45.7*	(43)
EBITDAS margin (%)	*10.1*	*17.5*	*(42)*
Depreciation and Amortisation	(15.5)	(14.9)	(4)
EBITS	10.6	30.7	(66)
EBIT margin (%)	*4.1*	*11.8*	*(65)*
Finance costs	(4.5)	(2.7)	(67)
Profit before Tax	6.0	28.0	(78)
Tax (expense)	(1.8)	(9.1)	80
NPATS	**4.2**	**18.9**	**(78)**
NPATS margin (%)	*1.6*	*7.3*	*(78)*

* Note FY22 result has been adjusted for $2.5m of one-off asset sales/ investment revaluations to ensure comparison is on a like for like basis

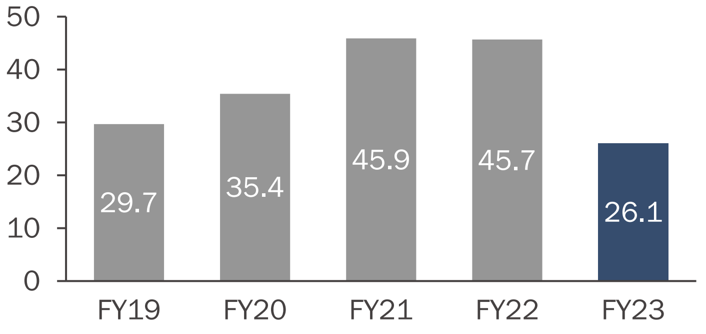


Short term hyper-inflationary pressures of $18m absorbed in underlying performance

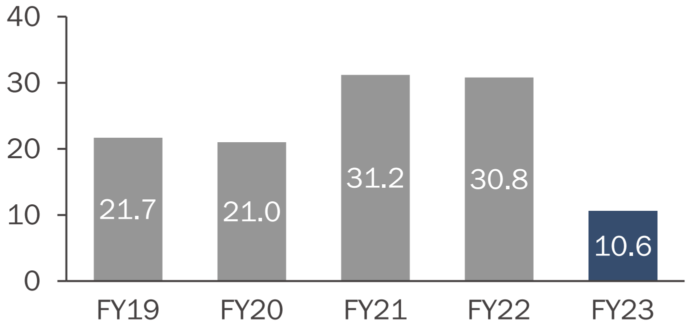
Total Revenue
$258.6m



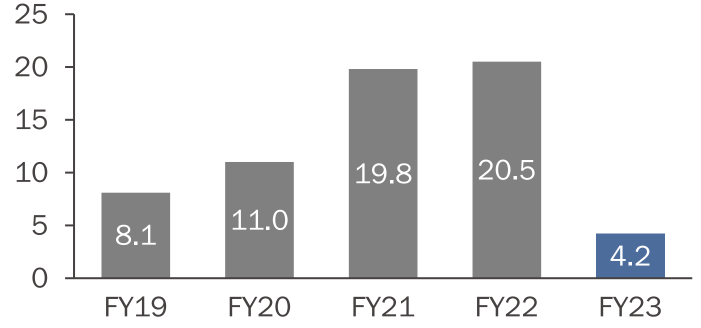
EBITDAS
$26.1m (underlying)



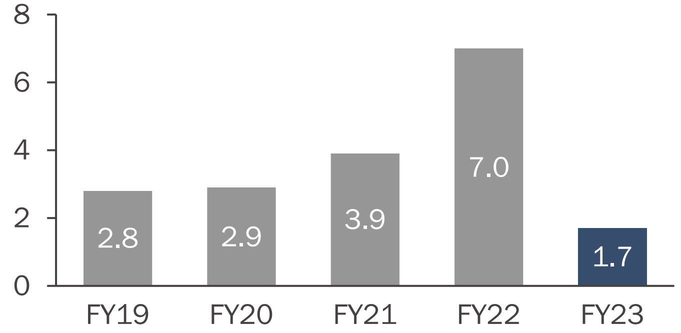
EBITS
$10.6m (underlying)



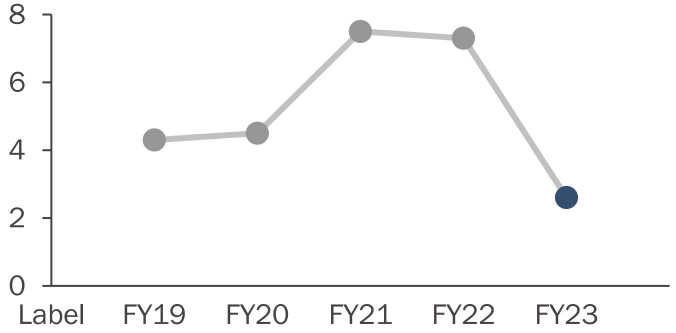
Net Profit After Tax (pre SGARA)
$4.2m



Earnings Per Share
1.7 cents (underlying)



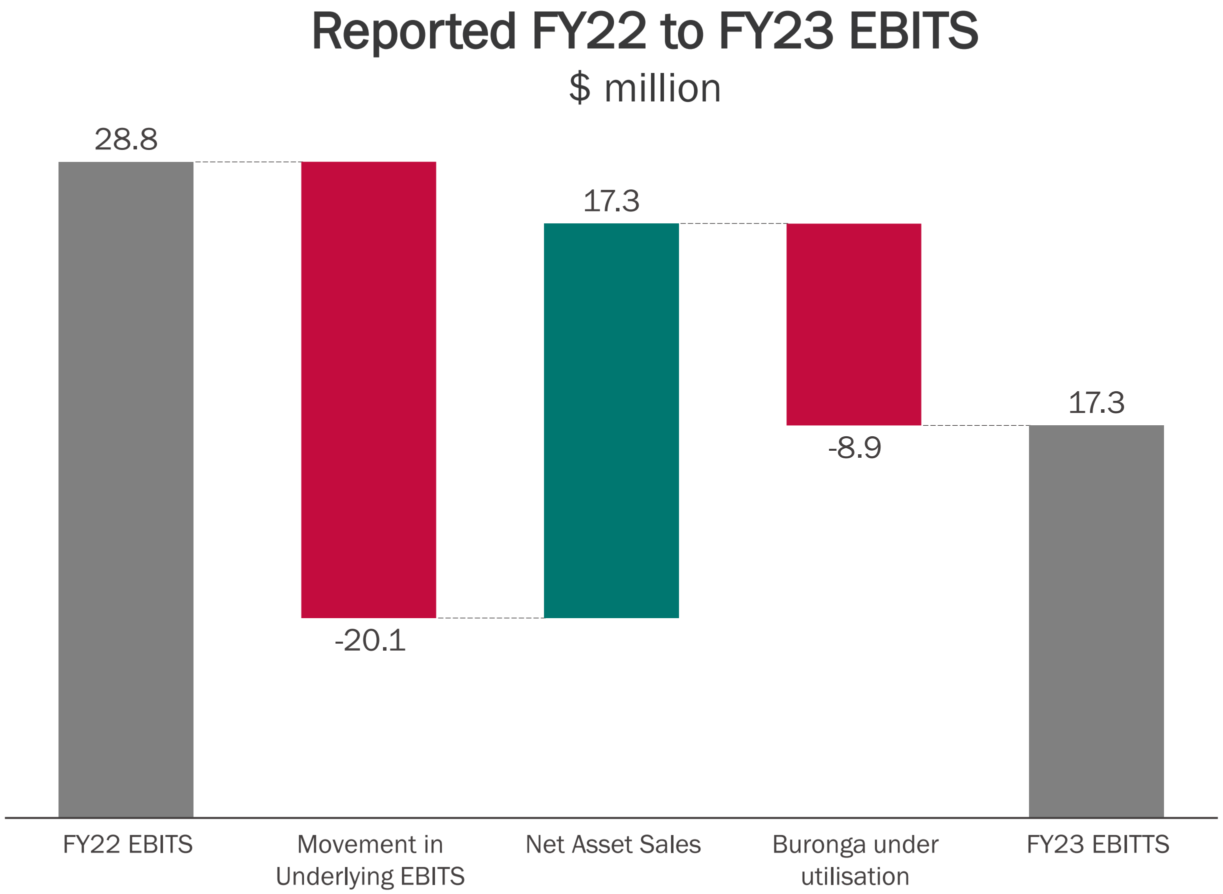
Return on Capital Employed
2.6% (underlying)



Reported income statement

Asset sales partially offset short term hyper-inflation and winery under-utilisation

$m	FY23	FY22	Fav/ (Unfav) %
Revenue	258.6	260.1	(1)
EBITDAS	32.8	43.7	(25)
EBITDAS margin (%)	*12.7*	*16.8*	*(24)*
Depreciation and Amortisation	(15.5)	(14.9)	(4)
EBITS	17.3	28.8	(40)
EBIT margin (%)	*6.7*	*11.1*	*(40)*
Finance costs	(4.5)	(2.7)	(67)
Profit before Tax	12.7	26.1	(51)
Tax (expense)	-	(7.8)	100
NPATS	**12.7**	**18.3**	**(31)**
NPATS margin (%)	*4.9*	*7.0*	*(30)*



Strong balance sheet with NTA $0.90 per share, post assets sales

$m	FY23	FY22	% change (improvements in Work Cap noted at +ve change)
Cash & equivalent	6.9	2.5	176%
Receivables	43.4	44.8	3%
Inventories	217.1	222.4	2%
Plant & Equipment	99.2	114.4	(13%)
Goodwill/ intangible	44.9	51.1	(12%)
ROU Lease assets	45.8	41.6	10%
Other	22.9	21.2	8%
Total Assets	**480.3**	**498.0**	**(4%)**
Payables	50.5	63.2	(20%)
Borrowings	55.0	77.0	29%
Leases	73.9	48.4	(53%)
Other	9.8	9.5	(3%)
Total Liabilities	**189.2**	**198.1**	**4%**
Shareholders Equity	**291.1**	**299.9**	**(3%)**

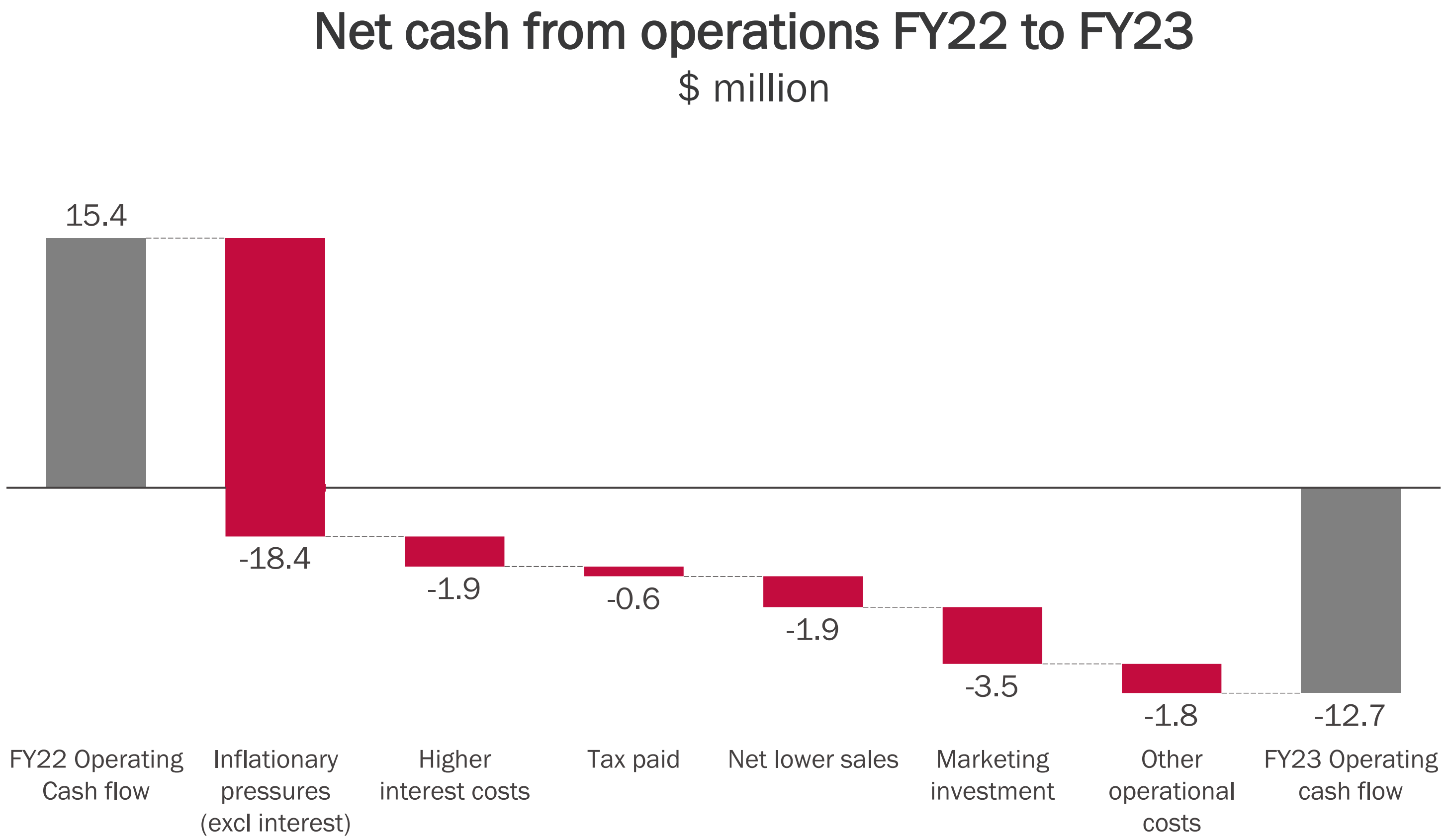
	FY23	FY22	FY23	FY22
	Reported		Underlying	
Net Debt (excl leases) $m	48.1	74.5	48.1	74.5
Facilities Available $m	89.4	106.3	89.4	106.3
Net debt (excl leases) / EBITDAS (post AASB16)	1.5 times	1.7 times	1.8 times	1.5 times
Net debt (excl leases) / EBITDAS (pre AASB16)	2.3 times	2.2 times	3.4 times	2.1 times
Gearing (net debt/equity)	17%	25%	17%	25%
Leverage (net debt/ net debt + equity)	14%	20%	14%	20%
Net Tangible Assets per share	0.90	0.93	0.90	0.93
ROCE (EBITDAS/ Capital Employed)	4.2%	6.9%	2.6%	7.3%

- Strong balance sheet with low net bank debt and borrowings
- Marginally Lower NTA due to reduced inventory
- Higher net debt/ EBITDAS, on pre AASB16 lease basis, driven by higher lease cash rent and lower EBITDAS

Cash flow

Proceeds from asset sales driving down debt, operating cash flow impacted by hyper-inflation

$m	FY23	FY22
Net cash from operations	**(12.7)**	**15.4**
PPE & intangibles	(10.8)	(11.6)
Asset sales	68.2	1.9
Net investing cash flows	**57.4**	**(9.7)**
Free cash flow	**44.7**	***5.7***
Capital return to shareholders	-	(24.1)
Dividends	(8.6)	(6.8)
Leases	(9.8)	(6.4)
Total cash flow from activities prior to debt	**26.4**	**(31.6)**
Proceeds/ (repayments) of borrowings	(22.0)	30.5
Net increase in cash	***4.4***	***(1.1)***



Outlook and strategic plan

AVG remains profitable with a sustainable business model standing up against significant headwinds

- Business fundamentals well placed for future
    - Continued investment in marketing, innovation, premiumisation and people, driven by consumer needs
    - Rest of Asia and China future upside
    - Net Debt reduced, balance sheet strengthened
    - Action taken to remove $9m of costs out of the business to offset hyper-inflation, 90% of actions implemented
    - Highly engaged workforce
- New drinks business and collaborations in place, next step global vs local
- Emerging business in Middle East and India with strategic partners involved
- EBITDAS and NPATS to improve into FY24 from FY23 performance as cost outs take effect
    - EBITDAS directionally in line with FY22.
    - Net bank debt reductions to levels prior to the capital return in 2021
- Strategic review launched, with Evans & Partners, to explore options to unlock additional shareholder value through industry opportunities, however strategic transaction not required to support future profitability
- Sales in July 16% higher than prior year largely led by UK business, innovation and emerging markets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