



Continued Progress Against a Backdrop of Global Challenges

WEDNESDAY 23 FEBRUARY 2022 – Foley Wines reports a positive result with continued premiumisation, despite global challenges.

Case sales 278,000 (down 1%)

Bottled sales revenue \$28,453,000 (up 8.5%)

Operating earnings \$4,839,000 (up 35.8%)

Reported profit after tax \$3,534,000 (up 37.7%)

Operating EBITDA \$8,480,000 (up 18.9%)

Operating cashflow \$10,101,000 (up 408%)

Foley Wines CEO Mark Turnbull said, “The Company has navigated the period with a solid result despite the challenges. The past six months has been another period of uncertainty, supply chain disruptions and global turmoil in travel and hospitality, overlaid by a much smaller vintage across the New Zealand industry. Notwithstanding these challenges, the six-month result clearly demonstrates the continued execution of our premiumisation strategy.

The Company continues to focus on finding new routes to market for its brands globally, and in particular those partners who can sell a premium portfolio.

“Our strategy for some time has been one of premiumisation – selling more wine at higher price points. While case numbers have been relatively static, the Company has delivered a higher operating profit, despite higher cost of goods for the period,” said Turnbull.

A key focus on the Company’s agenda is increased productivity in the vineyards. This is being achieved through investment in new vines in underperforming vineyards along with equipment that leads to lower labour costs.

In terms of outlook, the Company believes it is on track to deliver an operating profit in line with last year’s result.

“While we continue to operate in uncertain times, we have complete confidence in our business model which continues to go from strength to strength. In fact, we have received our first airline order for two years, which we hope is a positive indication of an increase in global travel. Subject to a good harvest result, the Company will be in strong position to further capitalise on the premiumisation strategy in 2023,” said Turnbull.

ENDS

Authorised for public release.

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- NOTES TO EDITORS -

About Foley Wines

Foley Wines is a collection of iconic wineries and brands from New Zealand's most acclaimed wine regions. Each with a unique story of New Zealand to tell, our wineries are linked by a common unrelenting purpose; to make great wine that people love to drink around the world – *Made by Land & Hand*.

Foley Wines is proud custodian of Martinborough Vineyard, Te Kairanga, Grove Mill, Vavasour, Mt Difficulty and Lighthouse Gin.