



FOLEY
WINES
made by land & hand

NZX Retail Investor Evening MARCH 2019

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*made by land
& hand*

A collection of iconic wineries and brands from New Zealand's most acclaimed wine regions

Linked by a common unrelenting purpose; to make great wine that people love to drink around the world - made by land & hand.



Our ambition

*To be New Zealand's most
revered wine group*

Through the ownership of iconic wineries in
New Zealand's most acclaimed regions, inspiring
the most discerning retailers and restaurants
around the world.



**The journey
so far**

*A strong track record of rejuvenating
and growing iconic New Zealand
wineries and brands*

2009 Vavasour and Dashwood acquired

2011 Te Kairanga acquired

2012 Grove Mill acquired

2014 Lighthouse Gin acquired

2014 Martinborough Vineyard acquired

2018 Joined NZX Main Board

2019 Mt Difficulty acquired

Our wineries & distillery



**Martinborough
Vineyard**
Martinborough



Grove Mill
Wairau Valley, Marlborough



Te Kairanga
Martinborough



Vavasour
Awatere Valley, Marlborough



Mt Difficulty
Central Otago

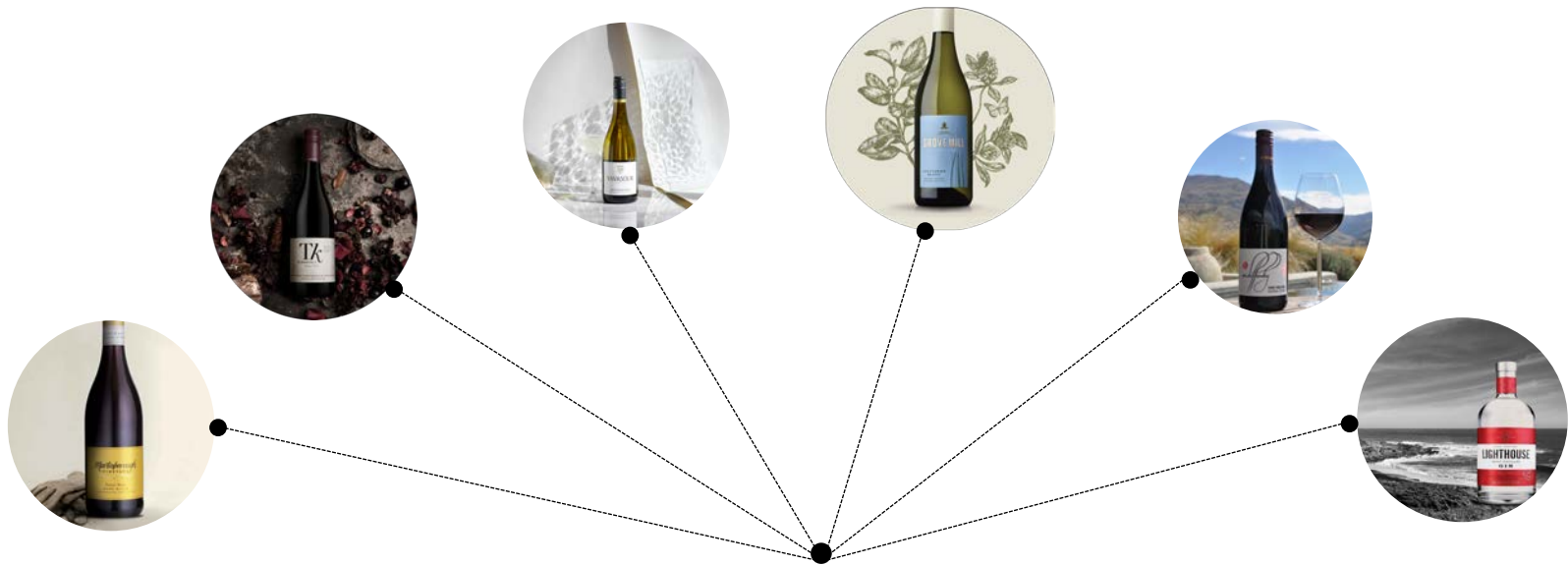


Lighthouse Gin
Martinborough

**Our business
model**

Centralised services delivering cost advantages, market access and a competitive position internationally.

Enabling the wineries to focus on creating amazing wine.



-  Marketing
-  Logistics
-  Finance
-  Sales
-  Bottling
-  Warehousing
-  HR

Five exceptional artisan wineries and one craft distillery from three acclaimed regions, managed from one point.

**This model
delivers**

*Economies of scope
(plus economies of scale)
due to our focus on related
diversification.*

Strategic relationships



Foley Wines USA

A far-reaching network with a strategic focus on our New Zealand wineries

All New Zealand winery brands are now represented by Foley Wines USA, owned by Bill Foley and his family.

Access to over 150 sales personnel employed by the Foley Group in the USA.

Two new dedicated personal committed to our New Zealand portfolio are being added in 2019.

Foley Wines USA comprises of 17 wineries in the USA.





Lion New Zealand Partnership

*New Zealand's largest alcohol
beverage company*

Over 100 sales representatives selling our portfolio into New Zealand's on premise, grocery and traditional channels.

53 directly managed on premise venues.

26 owned retail stores.

In 2018 Lion and Foley wines extended their strategic partnership when Lion took a 3% shareholding in Foley Wines.



Topline numbers

Year ended June 18 results

Bottled sales revenue	\$38m +25.27%
Operating earnings	\$3.16m* +7%
Export cases	327,000 dozen +10%
Profit for period after tax	\$2.18m* +52%
Operating cash flow	\$7.2m +104.8%
Dividend	3 cents per share

* Adjusted for one-off costs associated with Kaikoura Earthquake

Continuous momentum

	<i>Year ended June 18</i>	<i>Six months to December 18</i>
Bottled sales revenue	\$38m +25.27%	\$21.1m +13.8%
Operating earnings	\$3.16m* +7%	\$2.387m +145.8%
Export cases	327,000 dozen +10%	210,000 dozen +46.8%
Profit for period after tax	\$2.18m* +52%	\$1.672m +461%
Operating cash flow	\$7.2m +104.8%	\$4.936m +17.2%
Dividend	3 cents per share	

* Adjusted for one-off costs associated with Kaikoura Earthquake

Export case sales growth



Australia

Year ended June 18
113,000 cases
+66 %



USA/Canada

Year ended June 18
122,000 cases
-17%



UK/Europe

Year ended June 18
73,000 cases
+14%



Rest of world

Year ended June 18
19,000 cases
+5%

Export case sales growth



Australia

Year ended June 18
113,000 cases
+66 %

Six months to December 18
74,000 cases
+45%



USA/Canada

Year ended June 18
122,000 cases
-17%

Six months to December 18
75,000 cases
+65%



UK/Europe

Year ended June 18
73,000 cases
+14%

Six months to December 18
49,000 cases
+41%



Rest of world

Year ended June 18
19,000 cases
+5%

Six months to December 18
11,000 cases
+0%

New Zealand

Long term brand and margin building

New pricing and promotional strategy being implemented in New Zealand with Lion.

Volumes reflect this disruption and are in line with expectations.

Margin per case from New Zealand sales is up by 100%.

	<i>Year ended 30 Jun 18</i>	<i>Six months to Dec 31 18</i>
Domestic cases	144,000 dozen	59,000 dozen
	+ 57%	- 25%



Our strategic priorities

Strategic priority 1

*Continuing to realise our
premiumisation strategy*

Building brands people love underpinned by excellent wine quality.

We have the wine quality to sell more at higher price points.

Investing in developing premium brands.

Lifting prices in selected markets.

Strategic priority 2

*Leveraging the power of our
portfolio*

A 'one stop shop' portfolio of brands across price points and regions delivering real value to our customers and distributors.

Our powerful portfolio gives us the ability to choose to work with partners who will deliver our vision.

**Strategic
priority 3**

*Nurturing strong, long term
relationships in key markets*

We are a collaborative and agile partner delivering real value for our customers and distributors.

Strategic priority 4

Cementing our new Lion partnership

Implementing a new sales support structure in New Zealand giving us access to premium distribution across all channels.



**Strategic
priority 5**

*Focus on process improvement and
delivering cost savings*

Scaling up: increasing volume and Mt Difficulty acquisition.

These strategic priorities will enable us to:

- Sell more
- Sell more of our premium brands
- Realise more value for our entry level brands
- Reduce costs

—————→ *Increased returns for shareholders.*



Outlook

Positive outlook on vintage, volumes and earnings.

Focused on doubling underlying earnings for full year (taking into account Mt Difficulty costs and integration).

Our due diligence estimated a further \$5-6m of EBITDA in the first full year.



GROVE MILL SAUVIGNON BLANC 2018

Double Trophy Winner



CHAMPION
SAUVIGNON BLANC
*Royal Easter Show
Wine Awards 2019*



CHAMPION
SAUVIGNON BLANC
*New Zealand International
Wine Show 2018*



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