



Annual Shareholders Meeting 2020



Agenda

- Introduction
- Formalities
- CEO's presentation
- Shareholder questions
- Resolutions
- Conduct of voting
- General business
- Meeting close



Introductions

Paul Brock – Deputy Chairman

Mark Turnbull – Director and CEO

Tony Anselmi – Director

Grant Graham – Director

Jane Trought – CFO

Annual Shareholders Meeting | 2020

CEO's annual results presentation



Positive momentum maintained despite global headwinds

- + Remained focused on premiumisation strategy
- + Significant progress despite global headwinds
- + A strong foundation for growth

HIGHLIGHTS

Significant progress despite global headwinds

Case sales	Domestic cases	Bottled sales revenue	Operating EBITDA	Operating earnings	Reported profit after tax
533,000	157,000	\$50m	\$15.2m	\$7.8m	\$6.9m
+ 2%	+ 32.8%	+13.4%	+53.2%	+53.2%	+96.7%

Cases = 9L equivalents (i.e. 12x750ml bottles)

2020 Results

- **Operating Cashflow**
\$10.8m vs \$6.4m
- **Capex**
\$4.42m vs \$2.9m
- **Dividend**
of 3 cents per share (fully imputed) maintained

These results reflect our value over volume strategy: Volume +2%, Revenue +13.4%

MARKET OVERVIEWS

Focused on market and channel diversification



New Zealand

157,000 cases

+33%



Australia

132,000 cases

(4)%



USA/Canada

121,000 cases

(17)%



UK/Europe

92,000 cases

(5)%



Rest of world

31,000 cases

+29%

COVID-19

Business as usual despite significant implications

Able to harvest grapes during level 4 under strict conditions.

Hard-hit restaurant and airline sectors impacted our premium portfolio.

Case sales up 2% for year, but final quarter down 27,000 cases on previous year.

Wage subsidy ensured no redundancies and cellar doors able to quickly open for normal operation.

We have maintained positive momentum and genuine progress despite global challenges
- still highly volatile for global hospitality, tourism and airlines.

Finally, Covid-19 was the catalyst for creating our new direct-to-consumer offer, Foley Rewards.

Strategy recap

OUR PURPOSE

Making great wine that people love to drink around the world.





OUR AMBITION

To be New Zealand's most revered wine group

Satisfying the most discerning retailers and restaurants around the world with brands that are authentic, sustainable and of exceptional quality.



OUR BUSINESS MODEL

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



Marketing



Logistics



Finance



Sales



Bottling



Warehousing



HR

MARTINBOROUGH



MARLBOROUGH



CENTRAL OTAGO



STRATEGY RECAP

Our long term strategic priorities

PREMIUMISATION

Continuing to realise our premiumisation strategy

Investing in brands built on real places and people that are sustainable and people can trust.

Investing in the spiritual home of our brands.

High quality winemaking.

Sell more at higher price points.

PORTFOLIO

Leveraging the power of our portfolio

Cross-selling the portfolio.

A 'one stop shop' portfolio of brands across price points and regions.

Delivering real value to our customers and distributors.

RELATIONSHIPS

Nurturing strong, long term distribution relationships

A collaborative and agile partner delivering real value for our distribution partners.

Working with partners who can deliver our ambition.

An efficient supply chain for exports.

Focus on geographical diversification of sales.

Building our direct-to-consumer offer.

Significant progress on our premiumisation strategy

WHY IS PREMIUMISATION CRITICAL? A premium for brand builders

NEW ZEALAND WINE EXPORTS - AUGUST 2020

		White 750ml	White Other	White Total
United Kingdom	L	2,759,488	7,247,875	10,007,363
	\$	21,420,935	26,372,506	47,793,441
	\$/L	\$7.76	\$3.64	\$4.78
U.S.A	L	5,609,581	1,393,725	7,003,306
	\$	47,682,099	4,910,195	52,592,294
	\$/L	\$8.50	\$3.52	\$7.51
Australia	L	1,939,076	5,962,248	7,901,324
	\$	14,954,686	22,641,170	37,595,856
	\$/L	\$7.71	\$3.80	\$4.76
TOTAL	L	13,277,433	17,111,427	30,388,860
	\$	113,244,030	64,747,804	177,991,834
	\$/L	\$8.53	\$3.78	\$5.86

57% shipped as bulk

9L Export Price	\$76.77	\$34.02
Packaging allowance	\$15.00	
Comparative revenue	\$61.77	\$34.02

→ 80% premium for brand builders

SUSTAINABILITY

Acting sustainably is urgent, not a nice to have



SUSTAINABILITY

We're taking practical, tangible steps to safeguard our environment for future generations



RECYCLED NEW ZEALAND GLASS



PACKAGING



INDUSTRY-LEADING WATER CONSERVATION SYSTEMS



POWERED BY SOLAR



RESTORING LOCAL HABITATS



SMALL FOOTPRINTS, PART OF THE LANDSCAPE

CONTINUING OUR PREMIUMISATION STRATEGY

New direct relationships secured

Significant new routes to market secured in Australia, UK and Asia.

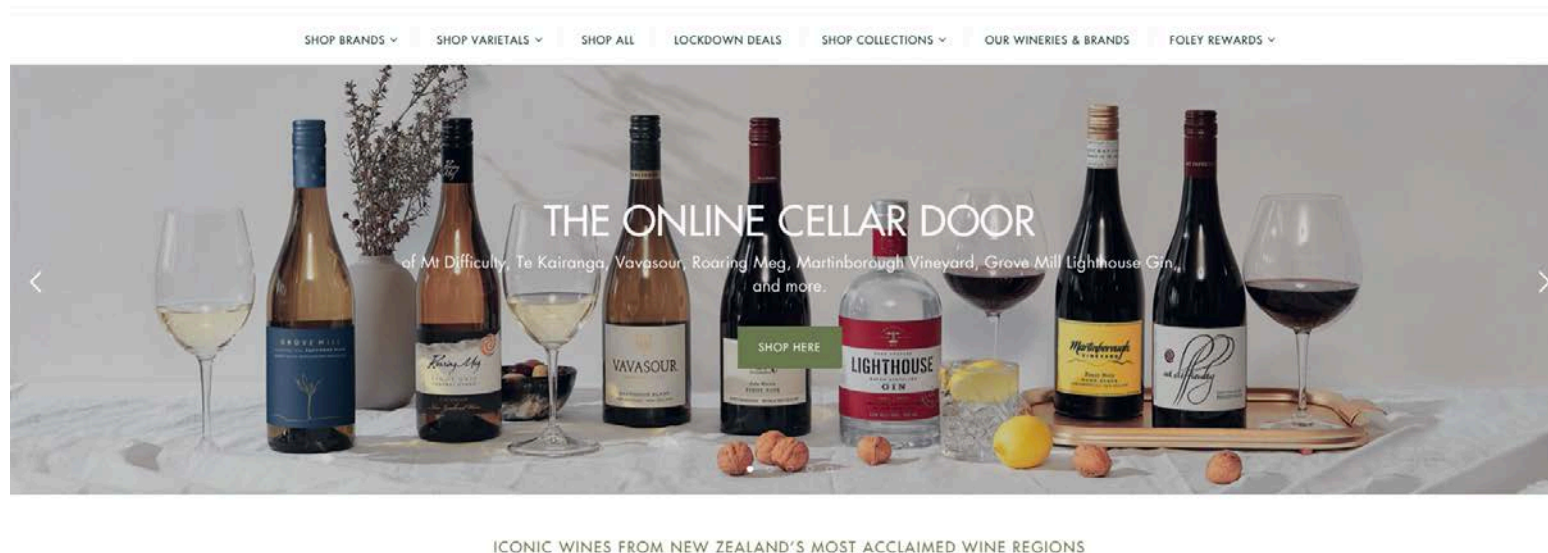
New channels for our premium brands.

Focusing on direct channels that create mutual value.



CONTINUING OUR PREMIUMISATION STRATEGY

Development of our direct-to-consumer offering



Refreshed Foley Wine Club and Shareholders websites
Have already seen the benefits of the introduction of Foley Rewards programme

CONTINUING OUR PREMIUMISATION STRATEGY

Continuing to building powerful brands

Building the premium positioning and profile of our brands to ensure our multi-channel distribution delivers strong rate of sale for our customers.



CONTINUING OUR PREMIUMISATION STRATEGY

Packaging refreshes



Reflecting both quality and our emphasis on the environment

CONTINUING OUR PREMIUMISATION STRATEGY

Continuing to building powerful brands

Focusing on high relevant reach activity that builds awareness and appetite amongst premium wine lovers – outdoor, print, digital and PR.



PONSONBY CENTRAL



CONTINUING OUR PREMIUMISATION STRATEGY

Continued recognition of quality



CONTINUING OUR PREMIUMISATION STRATEGY

Investing in the spiritual home of our brands

A destination for Te Kairanga, Martinborough Vineyard and Lighthouse Gin all under one roof. Including a new custom-designed distillery to meet Lighthouse's growing demand.



MT DIFFICULTY

The first full year of trading

\$11.3m sales revenue at an average selling price of \$157 per case.

Probably the most adversely affected by Covid-19 in the portfolio due to on-premise focus, however in the first quarter we are seeing an uplift in markets, particularly Australia, as hospitality reopens.

Pivotal in securing new relationships for our portfolio solutions in Asia.

Outlook



Outlook

Extremely uncertain times mean the ability to give guidance is difficult, however we firmly believe we have made significant progress in the past 18 months with our distribution gains.

Our target for the full year is 600,000 cases.

By the end of November we expect to have shipped approximately 250,000 cases. A lack of shipping availability is compounding the situation.

Markets continue to be extremely volatile, particularly for brands that have a high hospitality focus.

Last year, we stated we were focused on improving our EBITDA margin and had a goal of exceeding the Treasury Wine Estates margin of 25%. We achieved this in the June 20 year with 27%.

EBITDA margin improvement continues to be a key focus for us and a fundamental strategy to improve this is through premiumisation.

Upon achieving 600,000 cases we will be in a position to review the dividend payout.

Shareholder questions



Resolutions

1. Auditor's remuneration
2. Re-election of Bill Foley



General business

THANK YOU

Shareholders not yet receiving Shareholder Offers, please email:

MARKETING@FOLEYWINES.CO.NZ