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ASX: GDA

ASX ANNOUNCEMENT

27 January 2021

H1 FY21 SALES AND RESULTS UPDATE

Please find attached an investor presentation in relation to the Company's sales and financial results for the first half of FY21.

Highlights

- Total Volume 8.5m L, **up 39%** on H1 FY20
- Revenue \$27.4m*⁺, **up 42%** on H1 FY20
- Gross Profit margin **71%*⁺**, up from 68% in H1FY20
- **\$7.1m EBITDA***, **up 2,254%** on H1FY20 (\$0.3m)

*Unaudited

⁺Unconsolidated (not including Redfern venue)

SHAREHOLDER WEBINAR

The Company will hold a Zoom Webinar at **10am WST (1pm AEDT) today** to present the H1 results. The webinar will be hosted by Managing Director John Hoedemaker and Chief Financial Officer Marcel Brandenburg and will be available for download from the Company's website afterwards.

Participants can register under the following link:

<http://bit.ly/GoodDrinksResultsH1FY21>

-END-

This announcement has been authorised by the Board of Directors.

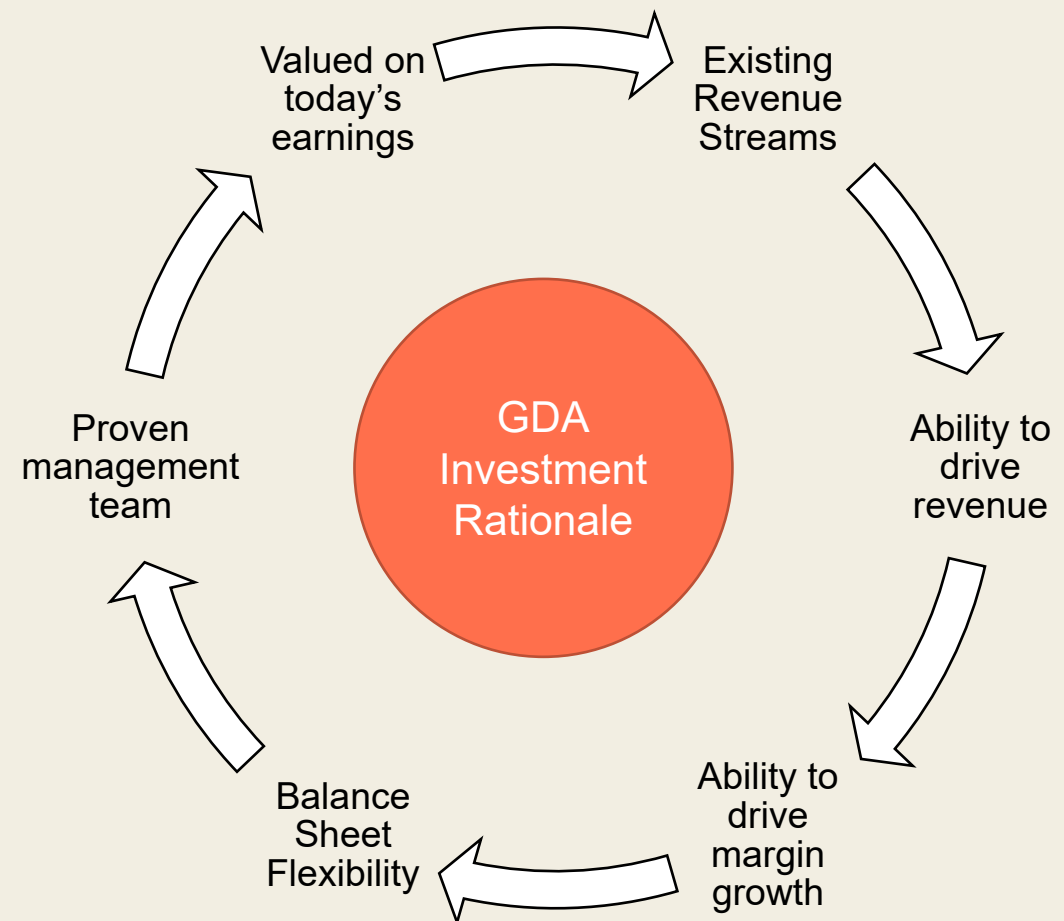
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H1 FY21 SALES AND RESULTS UPDATE

GOOD DRINKS AUSTRALIA | ASX: GDA



H1 FY21 PERFORMANCE

- H1 FY21 significantly overdelivered on expectations
- Good Drinks Volume 6m L, **up 42%** on H1 FY20
- Total Volume 8.5m L, **up 39%** on H1 FY20
- Revenue \$27.4m*⁺, **up 42%** on H1 FY20
- Gross Profit margin **71%***⁺, up from 68% in H1FY20
- **\$7.1m EBITDA***, **up 2,254%** on H1FY20 (\$0.3m)
- Good Drinks is the #1 independent craft supplier
- Single Fin is now the #1 independent craft beer in WA (#2 nationally)[^]
- H1 result validates the 5 Year Good Drinks financial model: sales and revenue growth over controlled margins and relatively fixed, efficient cost structures delivers opportunities to leverage earnings growth
- Excellent momentum to continue growth in H2 for a strong FY21 result



*Unaudited

⁺Unconsolidated (not including Redfern venue)

[^]Source: AZTEC Information Services - SCAN, Australian Craft Beer, Data to: 03/01/2021



THE GOOD DRINKS STRATEGY



Become #1 independent supplier to the national beer market



Brands that drive sustained margin growth



Maintain our low-cost, high quality, flexible, large-scale manufacturing advantage



Opportunities

- Untapped east coast market
- Access broader categories of the liquor market



Target

- Additional 10m L own brands by FY25
- 20-25% own-brand growth per annum
- 65-70% gross profit target
- 25-30% EBITDA growth per annum

STRATEGY ON TRACK - INCREMENTAL 10ML IN 5 YEARS

Good Drinks portfolio is the **#1 Independent Craft Supplier by Value** in Australian Craft Beer Segment*

Top 15 combined Retail Sales Value of \$258m*

Outperforming the Category*

| | | | | | |
|----|--|----|--|----|--|
| 1 |  GOOD DRINKS 71M | 2 |  65M | 3 |  32M |
| 4 |  23M | 5 |  16M | 6 |  8M |
| 7 |  8M | 8 |  6M | 9 |  5M |
| 10 |  5M | 11 |  4M | 12 |  4M |
| 13 |  4M | 14 |  4M | 15 |  3M |

Australia
Craft Beer



Value
growth*

\$ +21%

\$ +30%

* Source: AZTEC Information Services, MAT 03/01/21

GOOD DRINKS SALES SNAPSHOT



Become #1
independent
supplier to the
national beer
market

- Strong execution of promotional programs and activations for key trading period (Christmas)
- Distribution Growth
 - WA: Retail & On-Premise (20%)
 - EC: Retail & On-Premise (37%)
- National chains growing, margins stable
- Single Fin is now the #1 biggest independent craft beer in WA (#2 nationally)



GOOD DRINKS SALES SNAPSHOT



Become #1
independent
supplier to the
national beer
market

ON THE HORIZON

- On-premise Focus:
 - WA – Tap points **up 30% YTD**
 - EC – Tap points **up 16% YTD** driving **25%** growth in Volume
 - Additional 240 Distributions from June to Dec on the East Coast
 - Upweight resources in H2 to include:
 - Dedicated national Head of On-Premise
 - Key account management

KEY PARTNERSHIPS (EAST COAST)



GOOD DRINKS MARKETING SNAPSHOT



Brands that drive sustained margin growth

We are building brands segmented to capitalise on category growth

“GREAT DRINKS FOR EVERY OCCASSION”



**GAGE
ROADS**
— Brew Co —



ATOMIC
BEER PROJECT



MATSO'S
BROOME BREWERY

**Hello
Sunshine**

GOOD DRINKS MARKETING SNAPSHOT

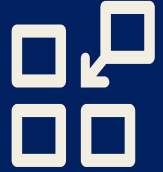


Brands that drive sustained margin growth

- Increased investment in above the line media (H1\$0.5m)
- Significant investment in Key Trading Period shopper marketing activity
- *Gage Roads* master brand identity and product range refreshed –growing 64% p.a
- *Matso's* master brand identity and product range refreshed – growing 46% p.a
- Annual marketing expenditure circa \$6.2m per annum
- **NEW** Pipe Dreams – National Chain ranging achieved
- **NEW** Lower Sugar Matso's Ginger Beer – on shelves now
- **NEW** Atomic 16 can pack format – on shelves February



GOOD DRINKS VENUE SNAPSHOT



Brands that drive sustained margin growth

- Venue strategy connects consumers with our brands, increasing awareness, driving retail sales
- *Gage Roads A-Shed* venue preliminary costings circa \$10m
- Fully funded via increase in debt facility
- A-Shed expected to open next summer
- Potential for additional venues in QLD, NSW



GOOD DRINKS MANUFACTURING SNAPSHOT



Maintain our low-cost, high quality, flexible, large-scale manufacturing advantage

- Produced 9mL in H1 FY21
- Scheduled to produce 8mL in H2 FY21
- Highly flexible plant & equipment, up to 45 different SKU's
- Canning, bottling and kegging lines running efficiently
- Variable Costs (incl. warehousing and distribution) down 30% to \$0.41 c/L (H1 FY20: 53 c/L)
- Cold store capability provides quality, production and logistical benefits. Distribution per L down 12%
- Good Drinks brands currently running at 46% plant utilisation, room for growth



OUTLOOK

- H1 momentum expected to carry into H2
- Annual production expected to be circa 17+m L
- Uplift in on-premise and key account capabilities
- A-Shed to commence construction
- Investigating further venue sites in QLD, NSW
- Strategy to deliver incremental 10m L by FY25 on track

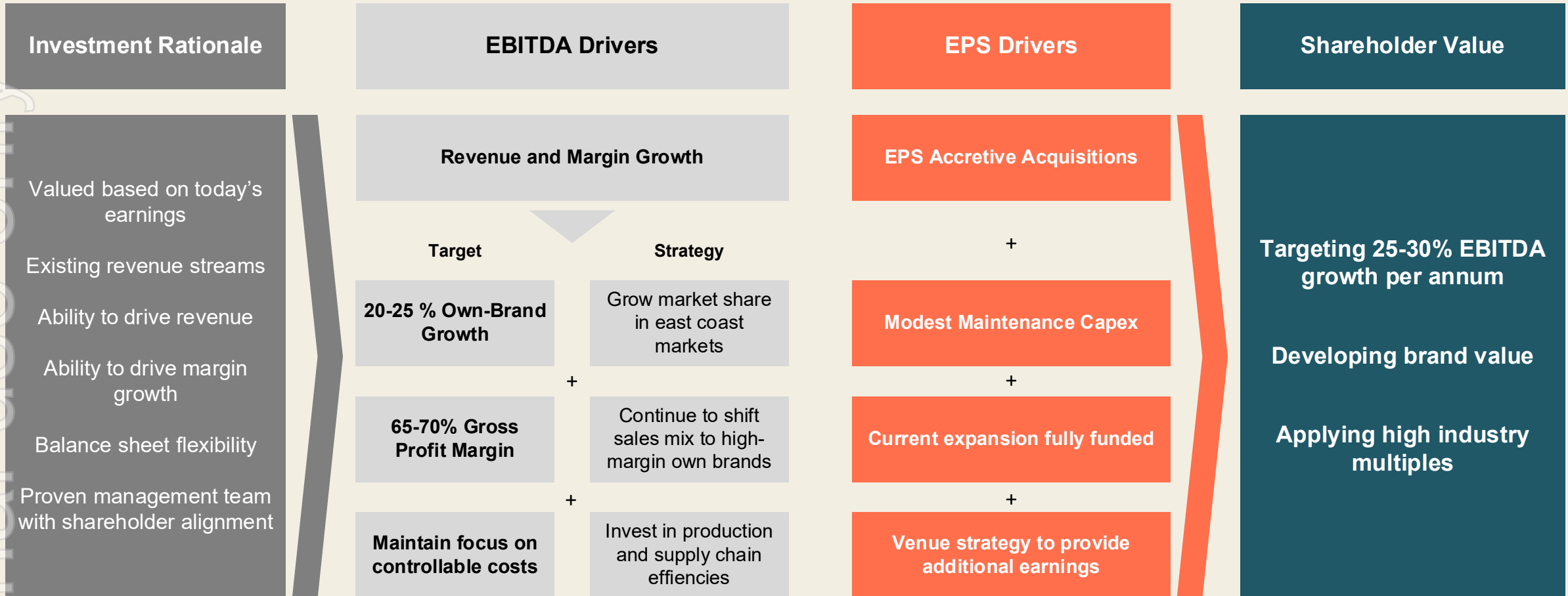


Appendix

GOOD DRINKS STRATEGY – TARGETS

| Driver | Target | Plan |
|---|---------------------------------------|---|
|  Volume | 20-25% per annum growth of own brands | <ul style="list-style-type: none"> Target larger east coast markets with expanded Good Drinks capabilities Potential acquisitions Distribution partnership opportunities with international brands Growing awareness through brand-in-hand marketing Craft market continues to grow at 7-10% |
|  Gross Profit | 65% to 70% Gross Profit Margin | <ul style="list-style-type: none"> Continue own-brand growth in overall sales mix High-margin new product development COGS savings via different pack formats Draught volumes growing in overall sales mix |
|  Good Drinks | #1 Independent Beer Supplier | <ul style="list-style-type: none"> Best practice key account management Double (50+) field team within 5 years Marketing investment circa 8% of revenue |
|  Venues | 5 Venues | <ul style="list-style-type: none"> Create up to 5 local brewery and taproom experiences in key markets \$0.5m EBITDA contribution per venue |

SHAREHOLDER PROPOSITION







Video: <https://vimeo.com/480618561>