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ASX: GDA

ASX ANNOUNCEMENT

10 August 2022

FY22 RESULTS UPDATE PRESENTATION

Please find attached an investor presentation in relation to the Group's results for financial year 2022.

-END-

This announcement has been authorised by the Board of Directors.

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FY22 RESULTS UPDATE

GOOD DRINKS AUSTRALIA | ASX: GDA

HIGHLIGHTS

- **FY22 EBITDA \$8.4m** a good result given industry-wide disruption in hospitality and key trading periods
- GDA continues to outperform the market, strategy on track
- **Gage Roads Freo** venue opened, contributing \$1m to FY22 earnings
- EPS accretive distribution deals signed with **Magners & Molson Coors**, \$3m - 4m EBITDA p.a.
- Momentum to continue growth to meet FY23 targets

Sales by channel (million Litres)	FY22	FY21	Growth
National Chains	4.3	3.7	16%
Independent Retailers	4.9	4.4	11%
Draught	3.0	2.4	25%
Brand-in-hand	1.0	0.9	11%
Total Good Drinks volume	13.2	11.4	16%
Contract -Brewed Brands	6.1	5.7	7%
Total Volume	19.3	17.1	13%

Total Revenue¹

\$70.7m

▲ 30%

Total Volume

19.3m Litres

▲ 13%

Gross Profit Margin¹

\$47.1m

▲ 26%

Total Good Drinks Volume

13.2m Litres

▲ 16%

EBITDA¹

\$8.4m

▼ 22%

Total Contract-brewed Volume

6.1m Litres

▲ 7%

KEY METRICS

Unaudited Management P&L	Good Drinks Core	Good Drinks Hospitality	Group FY22
Volume (million L)	19.3	0.2	19.5
Revenue	\$ 57.7	\$ 12.9	\$ 70.7
Cogs	(\$ 19.1)	(\$ 4.5)	(\$ 23.6)
Gross Profit	\$ 38.6	\$ 8.4	\$ 47.1
GP%	67%	65%	67%
Variable Costs	(\$ 8.7)	(\$ 3.6)	(\$ 12.3)
Gross Contribution	\$ 29.9	\$ 4.8	\$ 34.8
Sales & Marketing	(\$ 13.4)	\$ -	(\$ 13.4)
Operating Costs	(\$ 9.2)	(\$ 3.8)	(\$ 13.0)
EBITDA	\$ 7.3	\$ 1.0	\$ 8.4

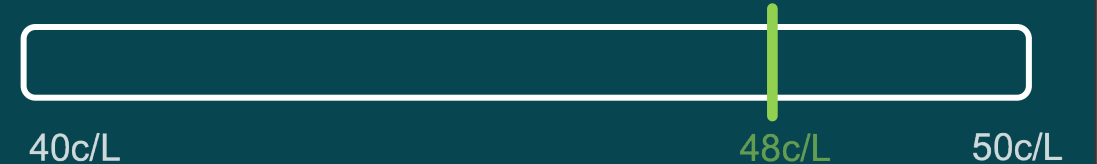
FY22 Annual Good Drinks Volume Target



FY22 Annual Sales & Marketing Investment



Variable Cost Target Range per GDA Litre produced



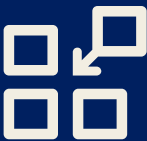
Gross Profit % Target Range



THE GOOD DRINKS STRATEGY (20M GOOD DRINKS LITRES BY FY25)



#1
independent
supplier to the
national beer
market



Brands that drive
sustained margin
growth



Flexible, large-
scale
manufacturing



Opportunities

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



Targets

- 20mL of own brands by FY25
- 20-25% own-brand growth per annum
- 65-70% gross profit target
- Consistent EBITDA growth per annum

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GOOD DRINKS SALES SNAPSHOT

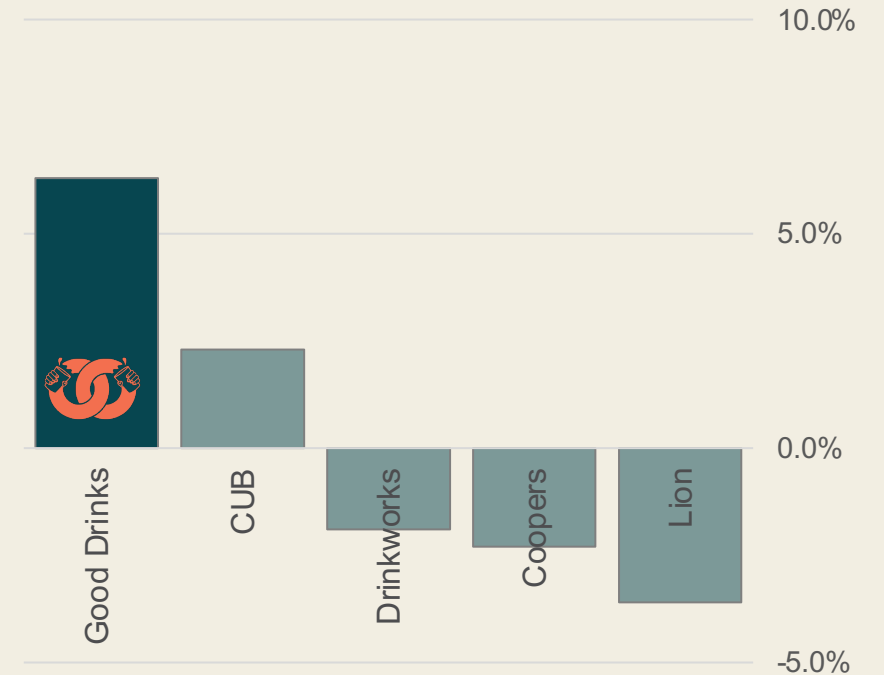


#1
independent
supplier to the
national beer
market

- 16% annual growth¹ of GDA brands a great result, outperforming the beer market
- **Market Conditions**
 - Fewer drinking occasions in December reduced pull-through, lower replenishments in January and February
 - H2 On-premise sales affected by density limits, mask mandates, staff shortages, reduced overall trade
- **Gross profit margins**
 - Softer trading conditions led to competitor pressure on pricing
 - GDA met the market pricing and continued to grow brands, \$3 per Litre revenue achieved
 - Industry to recover margin through price realisation from 1 August 2022
 - \$1 per litre target for COGS achieved for FY22
 - FY22 GP of 67% within the target range of 65%-70%

Australian Retail Beer Market

Annual growth to 03/7/22



Source: IRI Worldwide, Australia Liquor Weighted, MAT to 03/07/2022
¹Internal GDA retail growth numbers may vary from quoted numbers in the table above due to IRI's methods of data collection and extrapolation

GOOD DRINKS MARKETING SNAPSHOT



Brands that drive sustained margin growth

- **Awareness:**
 - \$7m investment in marketing and awareness in FY22
 - Opening of our spiritual home Gage Roads Freo
- **Resourcing:** Expanded marketing team from 14-20 people, adding senior leadership on east coast, innovations team & digital capability
- **Portfolio:** Magners, Millers and Coors are significant international brands, opening doors to new customers
- **Re-brand:** ALBY launched new 30-can block format, Matso's hard flavours
- **New products:**
 - Yeah Buoy non-alcoholic XPA launched into core range
 - 2 core Matso's brands, 1 core Gage Roads brand launching this summer



GOOD DRINKS VENUE SNAPSHOT



Brands that drive sustained margin growth

- **Gage Roads Freo**
 - First 6 months delivered \$1.5m EBITDA, less \$0.5m one-off pre-opening costs
 - Indicates potential for \$3m+ EBITDA per annum
- **Atomic Redfern**
 - Currently trading profitably. Losses incurred during restricted trading earlier in the year resulted in breakeven for FY22
- **Matso's Queensland**
 - Operating as is and trading profitably
 - Redeveloping into exciting Matso's experience during FY23
 - To be funded via dedicated venue finance facility



GOOD DRINKS MANUFACTURING AND SUPPLY CHAIN SNAPSHOT



Flexible, large-scale manufacturing

- **Volume:** FY22 production volume of 18m Litres
- **Costs:** FY22 Variable production costs 48c/L, within target range (40c/L to 50c/L)
- **Beer award:** Winner of GABS People's Choice Award for *Atomic Lemon Whip*
- **Efficiency:** bottling and brewing wastage significantly reduced
- **Sustainability:** Gold WaterWise award - water-saving initiatives recognised by WA Government



OUTLOOK

- Return to normal trading conditions in FY23
- Uninterrupted hospitality and retail channels allow for planned execution during key trading periods
- 2 new Matso's brands, 1 new Gage Roads brand to be launched
- Contract brewing to reduce significantly in FY23 in line with Good Drinks strategy
- Venues and agency brands to contribute material earnings and cash flows in FY23 and beyond, provides opportunity to supercharge sales & marketing investment in FY23
- Incremental earnings streams and continued growth of own brands expected to deliver step-change in earnings and shareholder value in FY23



DISCLAIMER

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Certain statements contained in this Announcement, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Group and which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements. Forward looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

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