SAVOR

NZX Release

Earnings Guidance & Change in Banking Relationship

27 March 2024

Savor Limited (NZX: SVR) (“Savor”, “the Company”, or with its subsidiaries “the Group”), New Zealand’s premier hospitality group, issues year end earnings guidance and provides an update on its banking relationships.

Highlights:

- Savor’s FY24 results will be its first reporting period without the impact of the Moa business or COVID-19. Since 2019 Savor has increased revenue by 299% and operating earnings* by 546%.

- With operating costs being tightly managed, Savor expects EBITDA for the financial year ending 31 March 2024 to be between $8.5 and $9.0 million (2023: $5.2 million).

- With margins for the Group improving by 4 percentage points compared to the prior year, Savor provides Net Profit After Tax guidance of between $1.5 and $2 million (adjusted for non-cash items).

- With principal amortisation now capped at $1 million annually, Savor forecasts the Group’s free cash flow to be from $3.5 million to $4 million on similar Group revenue, which will provide greater balance sheet flexibility moving forward.

- The new banking relationship with ANZ will have a cost of funds of circa 7% and Savor forecasts a debt to EBITDA ratio of approximately 1:1.

Trading Update

Throughout the year, Savor has continued to drive its cost efficiencies and economies of scale which were successfully maintained through the strong summer trading period.

EBITDA returns as a percentage of sales have improved by over 4% compared to the prior year, and these efficiencies are sustainable and likely to increase as trading improves.

These factors, combined with the strong trading performance through the summer months, give the Group confidence to provide market guidance for the financial year ending 31 March 2024.

Year End Guidance

The Group expects revenue for the financial year ending 31 March 2024 to exceed $60 million (2023: $52 million) and operating earnings* to be between $8.5 and $9.0 million (2023: $5.2 million).

SAVOR

Accordingly, Savor expects that it will be in a tax paying position for the 2024 financial year and will begin utilising the significant balance of historical tax losses it has available. The resulting net profit after tax for the year is expected to be between $1.5 to $2 million, after adjustment for non-cash accounting items.

Five Year Performance

Since 2019 Savor has increased revenue by 299%, turned around operating cash flow by $10m and delivered an increase of 546% to operating earnings*.

As the Group moves to taxable profits the Executive team is pleased to call an end to the Group's turnaround plans and wants to thank our shareholders for their support over this period. Savor is now looking forward to continuing its growth out of free cash flow.

Banking partner

After conducting a limited tender with several attractive offers presented, Savor is pleased to announce that ANZ has been awarded the Group's banking arrangements from March 2024.

Savor has partnered with Kiwibank for banking services since April 2021, at the time of the acquisition of Amano and other Hipgroup Limited venues. Throughout that time and despite the significantly challenging market conditions, Savor repaid approximately $6m of debt principal, reducing borrowings from $15m at its peak in July 2021, to circa $8 million in March 2024.

The first tranche of term debt with Kiwibank was due to mature in early April 2024 and given the significant change in the size and scale of the Group over the past three years, Savor's Board decided a tender process was appropriate.

The new arrangements with ANZ are more streamlined and provide the Group with greater flexibility, principally:

- Debt amortisation will be capped at $1m annually, compared to an average of $2.7m currently, allowing approximately $2m of additional cash flow to be freed up for strengthening the Group's Balance Sheet and provide flexibility.

- Savor expects this will result in Group net debt of less than 1 times geared, based on forward operating earnings* projections.

- The Group's average cost of debt at 31 March 2024 is expected to be approximately 7%.

Savor's Board of Directors would like to thank Kiwibank for its ongoing support over the past three years and welcomes ANZ as it looks forward to the next phase of operations for the Group.

*Operating earnings means reported earnings before interest, tax, depreciation, amortisation and restructuring costs, as reported in the Group's Statement of Comprehensive Income.

-ENDS-

SAVOR

Investor Enquiries

Tim Peat

CFO, Savor

Mobile: 021 049 7442

Email: tim@savor.co.nz

About Savor

Savor, established in 2011, is one of New Zealand's largest hospitality businesses with 20 iconic venues in Auckland, including Amano, Azabu Ponsonby, Azabu Mission Bay, Ebisu and Non Solo Pizza, each with its own unique concept, culture and offering. In 2022, Savor opened Bivacco in Auckland's Viaduct Harbour and brought iconic Melbourne concept MoVida to Britomart's Seafarers Building. Savor has a reputation for originality, the quality of its products and the high standard of service that is consistent across the company portfolio.