Savor 2025 – ASM, 30 Sept, 10:00am MUFG

Paul Robinson – Executive Chairman

Good morning, ladies and gentlemen, welcome to Savor Group's Annual Meeting. It is my pleasure to address you again as Chairman.

Market Context and Resilience

This has been yet another challenging year for the hospitality sector. Across New Zealand, and particularly here in Auckland, we have seen further pressures of inflation, rising operating costs, and more cautious consumer spending.

Many operators have struggled, and some well-known venues have closed their doors. To provide some context, it has been reported that over 2,500 hospitality venues have closed, representing a 19% increase year on year.

It is worth emphasising that Savor's approachable-premium positioning continues to serve us well. We are delivering value to customers at a time when discretionary spending is under pressure, while also protecting margins for shareholders. This balance is what sets us apart in the current environment and I think it is clear we have navigated this situation better than most of our peers.

Trading Update

Our Year-to-date trading through August has Group revenue down 6% on the prior year which in of itself is a reasonable result. However, more importantly, our EBITDA is down only 2% over the same period.

This bottom-line resilience reflects the hard work that has gone into our cost-out initiatives and our determination to protect margins.

The table illustrates how uneven trading has been this year, but nevertheless the group is showing clear momentum coming into spring.

Furthermore, with the new golf site open last week, the Seafarers losses not repeating, and the cost out initiatives still feeding through we expect the full year results to be considerably better than FY25.

Historical Financial Comparison

Looking at the Key financial indicators over the last four years you can to apricate the progress that has been made with venue-level wages are now running at 40.4% of revenue, compared to 41.3% in the prior year and down from their peak of 43.4%.

Our cost of goods sold are below 30% at 28.8%, down from 29.2% in the prior year and 30.7% in the year before that.

Headcount has reduced from a peak of 592 staff to 443, reflecting careful management of rostering and driving venue level efficiencies, all without compromising our standards of service.

The head office cost improvements are continuing with $650k removed so far this calendar year and a further $400k still to come that will further boost the bottom line considerably.

The venue level efficiency gains have underpinned a circa $2.5m improvement in profitability which together with the head-office cost out program is on track to add another $1m in savings in 2025, resulting in a $3.4m improvement over the 4 years irrespective of the prevailing economic environment.

Quality of Earnings and Growth Outlook

The Board and Management have reviewed the portfolio carefully, ensuring capital is directed to the highest quality opportunities. The early exit from the Seafarers Building (saving $0.975m annually) and the swap into the new Britomart site delivers lower fixed costs, improved profitability, and upgraded assets without incremental borrowings.

The Britomart site (Bar Zeti) and golf venue (Flush) which have been funded from third party deals are both incremental to the FY26 budget and are expected to deliver meaningful earnings uplift. The Britomart site alone is expected to generate $3–$4m in annual revenue, with EBITDA margins after lease costs of over 20%.

The Board will continue to analyze the portfolio of assets looking to opportunistically recycling capital into stronger, higher-margin opportunities.

Forward Looking Cashflows

Turning to the cash flow waterfall (see attached), free cash flows are forecast to rise from a net of $1.2m (or circa $2.4m with Seafarers and the NSP closure added back) in FY25 to over $3m in FY26, and rising to over $5m in FY27. It is important to note these results are driven from actions either already taken or in process so are not contingent on future decisions.

Finally, it is worth noting the Group also retains $30m of gross tax losses (approx. $8.5m cash value), providing tax cover for an estimated four years.

Cost-Out Discipline and Culture

What underpins all of these results is a culture of discipline across the organisation. Our executive team has continued to focus on the daily details that matter—adjusting rosters in real time, rethinking supplier relationships, streamlining procurement, and working closely with chefs and venue managers to maintain both quality and efficiency.

Despite all of these of these efforts we the Executive and the Board are extremely disappointed with the flagging share price. I am pleased to report we have adopted a dividend payment policy and believe all things being equal, will be in a position to pay dividends in the next financial year.

I do want to take a moment to explain that we run this business, without an executive management team to speak of. We manage the business ourselves in-house, keeping professional service costs to a minimum.   Normalising to historical observed revenue, head office wages are currently well under 3%.

Nevertheless, given this prolonged economic down-turn, as with Covid - Lucien and I have volunteered to take a substantial reduction in salaries starting October 1. Furthermore, the Board has volunteered to reduce its total compensation by half until such time as a dividend has been delivered and the share price has recovered.

We hope you agree we are completely committed to making this business a commercial success for all shareholders.

Closing

In closing, I want to thank our staff for their dedication, our management team for their disciplined execution, and our shareholders for their continued support.

This has not been an easy year for hospitality in New Zealand, but Savor has once again proven its strength. We remain confident that our brands, our people, and our focus on cost discipline will ensure we continue to outperform the market and deliver long-term value.

I now hand you over to Lucien our CEO, thank you.

Lucien Law - CEO

Thank you Paul, and good morning everyone.

It’s no secret that the past year has been a tough one for hospitality. Across New Zealand, household spending is under real pressure, with costs outpacing disposable income. Retail sales volumes are down more than 2% year-on-year, and consumer confidence has remained stubbornly low — meaning more households are pessimistic than optimistic.

For our sector, the result has been a challenging trading environment, particularly in Auckland where most of our venues sit. Sales growth here has been virtually flat — just 0.4% in some quarters — while tourism hubs like Queenstown and Nelson have seen double-digit gains.

“And yet, in this environment, Savor has remained resilient — it hasn’t been easy, but we’ve protected our margins and continued to invest in the future.”

I believe that resilience comes down to a few key factors.

First, brand strength. Venues like Amano, Ebisu, Azabu and Bivacco remain some of the most recognised names in Auckland dining. When customers are choosing more carefully where to spend, they come to brands they know will deliver.

Second, our positioning. We’ve built Savor around an approachable-premium offer. Even as households cut back in other areas, dining with us feels worth it.

Third, discipline. We’ve kept a tight hold on costs and pushed for efficiencies, but always without compromising the experience.

And finally, innovation. We’ve kept investing when others have pulled back — whether it’s new venues like Flush and Bar Ziti, or initiatives like the Savor Food Festival that continue to set us apart.

Momentum Returning

While winter has been challenging, we are now beginning to see encouraging signs across the Group. There’s a noticeable lift as we’ve moved into spring, with more energy in the city and stronger demand in our venues compared to the quieter months just gone.

Father’s Day was a good example. We welcomed over 2,500 guests across our venues — up 13% on last year. It shows that even in a climate where households are careful with their spending, customers are still choosing to celebrate at Savor venues.

So while trading remains tough, momentum is returning — and there are clear reasons to be optimistic.

Today I’ll be talking in more detail about some of the drivers of that momentum: our new Britomart openings, Bar Ziti and Flush Golf; the second year of the Savor Food Festival and the results so far; and the launch of a shareholder discount programme designed to reward your ongoing support.

Flush & Bar Ziti — A New Kind of Precinct

Flush Golf and Bar Ziti were designed side by side, but with distinct personalities. Together they create a new kind of precinct in the heart of Britomart — blending premium social sport with approachable dining and drinks.

The thinking is simple: each venue stands strongly on its own, but when combined, they amplify one another. Flush draws golfers, corporates, and groups looking for an experience. Bar Ziti complements that with a vibrant laneway bar and dining offer — just as appealing for a quick CBD lunch as it is for a core dinner occasion, whether that's colleagues, clients, or a lively group night out.

It's this balance — connected yet independent — that makes the concept so powerful. Guests don't need to play golf to enjoy Bar Ziti, but together the two venues broaden our audience and strengthen our position in Britomart.

Bar Ziti – Laneway Dining in Britomart

Bar Ziti brings something new to Britomart. The laneway is transformed into a vibrant, welcoming space — with outdoor tables and a strong sense of city buzz. The bar opens directly onto the street, making it feel open, lively, and connected.

It's designed around after-work culture — a natural meeting spot for the city's workforce, where sharing a Peroni and some plates as the street comes alive feels effortless.

But it's also flexible. Whether it's a quick CBD lunch, a casual date night, a pre- or post-Spark Arena stop, or a relaxed weekend gathering, Bar Ziti fits comfortably across all of those occasions.

In terms of positioning, we see it sitting neatly between our high-end casual venues and the pubs in the area — offering approachable quality in a space that feels both easy and elevated.

The service model reflects that. Casual and seamless, with QR code ordering that gives customers speed and control, while also reducing labour costs and allowing our team to focus on atmosphere and genuine hospitality.

Introducing Flush Golf

"Flush marks a really exciting next step for us as a business. We've built Savor on the strength of hospitality, but this is the first time we're combining it with entertainment at scale. It's an opportunity to extend what we do best — creating vibrant spaces for people to come together

— and underpin it with models that are leaner, more efficient, and built for the future. That means lower wage costs, better customer flow, and venues that deliver stronger returns.

At the same time, the timing is right. Golf has exploded worldwide since COVID, not just with traditional players but with new audiences coming in — younger people, women, and groups who see it as a social activity. Entertainment-led formats like Topgolf have proven there's real demand for this shift. People want golf to be fun, flexible, and accessible — and that's a big gap in the Auckland market.

Flush is our answer to that. We've partnered with Trackman, the global leader in simulator technology, to deliver the most realistic golf experience available anywhere. Players can choose from hundreds of iconic courses, compete in leagues, or just enjoy a casual night out. Serious golfers can train or get coaching, while corporates, families, and friends can use it as a social experience.

"Flush isn't just a venue — We believe its a platform for growth, bringing hospitality and entertainment together in a way that's new to Auckland.

FESTIVAL 2025

"Last year we launched the very first Savor Food Festival — the first time we'd ever done a group-wide promotion. The goal was simple: to give our customers more value during a time of real cost-of-living pressure, while rewarding our loyal guests and attracting new ones.

It was also designed to energise the quieter winter months and build momentum into summer. And it worked. By week four we had completely reversed a winter decline and were delivering year-on-year growth across the Group. Importantly, average spend held steady — so we proved that creating value doesn't have to dilute brand strength."

Success in year one made the decision easy — the challenge was how to build on it.

This year we've expanded the Festival: more events, more venues, and a deeper programme of experiences. We've also sharpened the model, refining menus, timing, and marketing.

The early signs have been very positive — key events selling out, waitlists and more than a thousand guests every week booking Festival menus. What's clear is that this has become more than a promotion — it's now a seasonal fixture that strengthens loyalty and sets us up for a stronger summer."

"This year we broadened the focus. Instead of relying mainly on ticketed events, we built a programme of over 80 events supported by everyday value offers. That shift has driven engagement right across the portfolio.

And we couldn't have done it without our supplier partners — Asahi, LVMH, Campari, Allpress, Constellation and others — whose contribution made it possible to run the Festival without impacting our bottom line.

The demand has been pleasing. Key events sold out within a week of launch and the numbers speak for themselves: over 200,000 guests across nine weeks, beverage sales up strongly, and food uplift right across the Group.

The Festival has proven its value as both a customer and a commercial driver."

Shareholder discounts

"Since we merged back in 2019, the Board has always talked about finding a way to properly thank and reward our shareholders. For much of that time, the reality was that our focus had to be on navigating COVID and its long tail of impacts.

But the position we're in now is the strongest we've been since that period. With the successes of the past year, we finally have the opportunity to deliver on that promise.

So I'm very pleased to announce the launch of our new Dynamic Shareholder Discounts, which will begin in the first quarter of 2026."

"The idea is simple but powerful. Each quarter, we'll rotate the venues included in the programme — so the offer always feels fresh and gives you a reason to explore different parts of the portfolio.

You'll receive a direct email with all the details — the venues, the dates, and the discount. Just book as you normally would, and when you arrive, show the email to our team. The discount will be applied on the spot.

If your email is up to date with your MUFG shareholding, there's nothing else you need to do — we'll take care of the rest.

Yes, it's a discount. But more importantly, it's our way of recognising the support you've given us, and inviting you to experience the very best of Savor, season by season."