

Media release

25 August 2023

Delegat Group celebrates record global case sales

FY23 financial summary

- 3.7 million global case sales, up 9% on FY22
- Revenues of \$375.8m, up 15% on FY22
- Operating EBITDA of \$120.4 million, up 7% on FY22
- Operating EBIT of 96.8m, up 9% on FY22
- Operating NPAT of \$59.3 million, up 2% on FY22
- Reported NPAT of \$64.8 million, up 3% on FY22

NZX-listed wine maker and exporter, Delegat Group, this week reported a strong FY23 result, with revenues of \$375.8m, up 15% on FY22, operating EBITDA of \$120.4 million, up 7% on FY22, and Operating NPAT of \$59.3 million, up 2% on FY22.

It also celebrated achieving record annual global case sales of 3.7 million cases.

Chairman, Graeme Lord, says the results reflect the ongoing success of Delegat Group's strategy to build a leading global, super premium, wine company.

"This is a strong result, particularly in an international wine market showing flat wine sales, global inflationary pressures, and the impact of severe weather events in New Zealand.

"Continuing to grow the business and attract more consumers in our key markets is underpinned by the quality of our products, people and brands.

"We are well positioned for substantial future sales growth and are confident our continued investment programme will create additional value for shareholders."

Delegat Group Managing Director, Steven Carden, says the Group achieved record global sales of 3.7 million cases in 2023, 9% higher than the previous year.

Delegat Group Limited

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“This performance is testament to the strength of our brands, the enduring relationships with our distributor partners and the effectiveness of our entire global team.

“With over 97% of our wine sold offshore, Delegat Group remains the number one exporter of New Zealand wine – a bottle of our wine is sold on average every second of every day around the world.

“Our in-market sales teams are foundational to our ongoing success. They have engaged productively with customers and distributors throughout our major markets, working with the world’s largest supermarket chains through to smaller independent stores and on-premise accounts.”

The Group’s sales continue to be well diversified by market, with 48% in North America, 34% in the United Kingdom, Ireland and Europe, and 18% in Australia, New Zealand and the Asia Pacific region.

“The 2023 harvest yielded high quality fruit across all three of Delegat’s wine regions (Hawke’s Bay, Marlborough and the Barossa Valley, Australia) with a Group harvest of 45,340 tonnes, a 1% increase on the 2022 harvest.

“Most notably, the vintage outcome for Hawke’s Bay demonstrates the hard work and dedication of our people to overcome the challenges posed by Cyclone Gabrielle. We are proud of the resilience of our operations and our team in the face of that adverse weather event.”

The North American market is the group’s largest and, with more than 58 million premium wine consumers, stands out as its most significant opportunity for future growth.

Already, Oyster Bay is a category-leading New Zealand wine brand in the US market, with Oyster Bay Sauvignon Blanc a top five white wine by value, and Oyster Bay Pinot Gris the top imported premium Pinot Gris in the US.

In recognition of its market performance and reputation, Oyster Bay continues to be recognised as a Blue Chip Brand by New York’s IMPACT Magazine.

“We’re committed to growing the profile of our Oyster Bay products in the US and we are pleased with the recognition they are achieving so far,” Carden says.

With its distribution channels and world-class viticulture and winemaking assets already providing strong foundations for growth, 2023 has seen the Group maintain its ongoing investment in property, plant, and equipment, including vineyard developments in New Zealand and development of the Hawke’s Bay and Marlborough wineries.

Carden says “our investment programme saw \$102 million invested in growth assets. This included ongoing development of the Group’s wineries, land acquisition, vineyard development in New Zealand and the Barossa Valley, and capital expenditure and acquisition costs associated with the Dashwood vineyard.

“We also continue to work diligently to achieve the high standards of responsibility we have set regarding environmental, social and governance (ESG) issues across the business. Our current areas of focus include reducing Delegat Group’s environmental impact, enhanced Health and Safety outcomes for our people, and increasing diversity and inclusion.”

Lord confirmed the Board’s decision to pay a fully imputed dividend of 20 cents per share on 13 September to shareholders on record as at 29 September 2023, continuing the firm’s 10-year track record of sustainable dividend performance.

Lord also noted the ongoing contribution of Jim and Rose Delegat into the company’s vision and strategy. Jim and Rose were recognised with a Visionary Leaders award at the Deloitte Top 200 awards in late 2022.

Carden says the Group is forecasting to lift case sales by 4% in FY24 and increase Operating NPAT to a range of \$62.0m to \$67.0m over the same period. “We’re confident in Delegat Group’s ability to drive sustainable sales and earnings growth over the long term.

“We remain focused on exploring opportunities to improve case price realisation to improve profit margins and continue to invest in our assets, brands and people.”

Ends.

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Attached: Fact sheet on Delegat Group