



NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Results announcement

Results for announcement to the market		
Name of issuer	Delegat Group Limited	
Reporting Period	6 months to 31 December 2024	
Previous Reporting Period	6 months to 31 December 2023	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$178,644	-12%
Total Revenue	\$178,644	-12%
Total Operating Revenue ¹	\$178,644	-10%
Operating Profit from ordinary activities after tax (Operating NPAT) ¹	\$28,282	-25%
Operating Profit from ordinary activities before interest, tax and depreciation (Operating EBITDA) ¹	\$61,642	-18%
Reported profit from continuing operations	\$12,467	-63%
Total Net Profit	\$12,467	-63%
Interim/Final Dividend		
Amount per Quoted Equity Security	Not Applicable	
Imputed amount per Quoted Equity Security	Not Applicable	
Record Date	Not Applicable	
Dividend Payment Date	Not Applicable	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security	\$5.39	\$5.44
A brief explanation of any of the figures above necessary to enable the figures to be understood	Refer to the Chair's Report appended for Operating Performance and other key metric information.	
Authority for this announcement		
Name of person authorised to make this announcement	Murray Annabell	
Contact person for this announcement	Murray Annabell	
Contact phone number	+649 359 7310	
Contact email address	murray.annabell@delegat.com	
Date of release through MAP	28/02/2025	

Unaudited financial statements accompany this announcement.

1. Operating Performance is a non-GAAP measure and as such does not have a standardized meaning prescribed by GAAP. It may therefore not be comparable to non-GAAP measures presented by other entities.

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DELEGAT

DELEGAT GROUP LIMITED
INTERIM REPORT 2025



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CHAIR'S REPORT 2025

On behalf of the Board of Directors of Delegat Group Limited, I am pleased to present its operating and financial results for the six months ended 31 December 2024.

The Group presents its financial statements in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

To provide further insight into the Group's underlying operational performance, the Group has also included in this report an Operating Performance Report. This Operating Performance Report excludes the impact of fair value adjustments required under NZ IFRS for grapes and derivative financial instruments. As a fully integrated winemaking and sales operation, Operating Profit includes the fair value adjustment in respect of grapes when packaged wine is sold rather than on harvest of the grapes, and the fair value adjustment on derivative financial instruments when these foreign exchange contracts and interest rate swaps are realised.

The Group has included a reconciliation of Operating Profit to Reported Profit which eliminates from each line in the Statement of Financial Performance the impact of these fair value adjustments.¹

OPERATING PERFORMANCE

An Operating NPAT of \$28.3 million was generated compared to \$37.8 million for the same period in the previous year. Operating EBIT of \$48.4 million is \$13.6 million lower than the same period last year (refer to table 1).

TABLE 1 OPERATING PERFORMANCE¹

NZ\$ millions	Dec 2024	Dec 2023	% change vs 2023
Operating Revenue ¹	178.6	198.6	-10%
Operating Gross Profit²	86.3	96.1	-10%
Operating Gross Margin	48%	48%	
Operating Expenses ³	(37.9)	(34.1)	-11%
Operating EBIT⁴	48.4	62.0	-22%
Operating EBIT % of Revenue	27%	31%	
Interest and Tax	(20.1)	(24.2)	17%
Operating NPAT⁴	28.3	37.8	-25%
Operating NPAT % of Revenue	16%	19%	
Operating EBITDA⁴	61.6	74.8	-18%
Operating EBITDA % of Revenue	34%	38%	

Notes:

1. Operating Revenue is before fair value movements on derivative instruments (if gains).
2. Operating Gross Profit is before the net fair value movements on biological produce (harvest adjustment) and the NZ IFRS adjustments excluded in Note 1.
3. Operating Expenses are before fair value movements on derivative instruments (if losses) and any other one-off non-operating items.
4. Operating EBIT, EBITDA and NPAT are before any fair value adjustments and any other one-off non-operating items.

1. Operating Performance is a non-GAAP measure and as such does not have a standardised meaning prescribed by GAAP. It may therefore not be comparable to non-GAAP measures presented by other entities.

OPERATING PERFORMANCE CONTINUED

Delegat achieved Operating Revenue of \$178.6 million on global case sales of 1,634,000 in the six month period. As a result, revenue is down \$20.0 million on the same period last year. This is primarily due to the impact of a 15% decrease in global case sales, offset by a favourable foreign exchange movement. Operating Gross Profit is down 10% on the same period last year.

The Group's case sales performance and foreign currency rates achieved are detailed in table 2.

Operating expenses (before NZ IFRS adjustments) at \$37.9 million are \$3.8 million higher compared to the same period in the previous year. This is due to increased investment in consumer advertising and brand marketing.

This decrease in operating net profit after tax for the six month period was expected following the lower yielding 2024 vintage, challenging consumer market and inventory dynamics, along with the planned price increases in certain markets impacting on case sales volumes in the short term.

TABLE 2 **CASE SALES AND FOREIGN CURRENCY**

	Dec 2024	Dec 2023	% change vs 2023
Case Sales (000s)			
UK, Ireland and Europe	492	579	-15%
North America (USA and Canada)	785	959	-18%
Australia, NZ and Asia Pacific	357	386	-8%
Total Cases	1,634	1,924	-15%
Foreign Currency Rates			
GB£	0.4702	0.5046	7%
AU\$	0.9100	0.9185	1%
US\$	0.5975	0.6137	3%
CA\$	0.8170	0.8203	0%

NZ IFRS FAIR VALUE ADJUSTMENTS

In accordance with NZ IFRS, the Group is required to account for certain of their assets at 'fair value' rather than at historic cost. All movements in these fair values are reflected in and impact the Statement of Financial Performance. The Group records adjustments in respect of two significant items at the half-year reporting date, as detailed in table 3.

- Harvest Provision Release (Grapes) – Inventory is valued at market value, rather than costs incurred, at harvest. Any fair value adjustment is excluded from Operating Performance for the year, by creating a Harvest Provision. This Harvest Provision is then released through Cost of Sales when inventory is sold in subsequent years. This represents the reversal of prior periods' fair value adjustments in respect of biological produce as finished wine is sold in subsequent years. This has resulted in an adjustment of \$4.1 million for the period (31 December 2023: adjustment of \$10.5 million);
- Derivative financial instruments held to hedge the Group's foreign currency and interest rate exposure. The mark-to-market movement of these instruments at balance date resulted in a fair value write-down of \$17.8 million (31 December 2023: write-up of \$4.5 million).

TABLE 3 IMPACT OF FAIR VALUE ADJUSTMENTS

NZ\$ millions	Dec 2024	Dec 2023	% change vs 2023
Operating NPAT	28.3	37.8	-25%
Operating NPAT % of Revenue	16%	19%	
NZ IFRS Fair Value Items			
Biological Produce (Grapes) ¹	(4.1)	(10.5)	n/m ²
Derivative financial Instruments	(17.8)	4.5	n/m ²
Total Fair Value Items	(21.9)	(6.0)	n/m²
Taxation of NZ IFRS fair value items	6.1	1.6	n/m ²
Fair Value Items after Tax	(15.8)	(4.4)	n/m²
Reported NPAT	12.5	33.4	-63%

Notes:

1. Biological Produce (Grapes) is the difference between market value paid for grapes and the cost to grow grapes. The Harvest Provision is reversed and only recognised when the finished wine is sold.

2. n/m means not meaningful.

RECONCILIATION OF REPORTING TO OPERATING PERFORMANCE

Accounting for all fair value adjustments under NZ IFRS, the Group's reported unaudited financial performance for the six months ended 31 December 2024 is reconciled to Operating Profit as detailed in table 4.

CASH FLOW

The Group generated Cash Flows from Operations of \$75.6 million in the current half-year, which is an increase of \$39.8 million on the same period last year. The increase is due to higher collections from customers due to the timing of case sales and lower payments to suppliers. A total of \$40.8 million was paid for additional property, plant and equipment during the period, including vineyard developments in New Zealand, and development of the Hawke's Bay and Marlborough wineries, which will provide earnings growth into the years ahead. The Group distributed \$20.2 million to shareholders in dividends. Net repayment of borrowings of \$16.5 million were made during the six month period.

The Group is well positioned to fund its current operations as well as future capital investment in both New Zealand and Australia. The Group's Net Debt at 31 December 2024 amounted to \$345.6 million, a decrease of \$6.7 million compared with the last half-year and well within the Group's bank debt facilities of \$420 million.

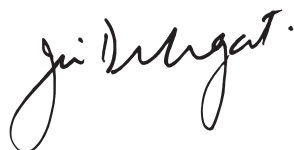
TABLE 4 RECONCILIATION OF REPORTING TO OPERATING PERFORMANCE

NZ\$ millions	December 2024			December 2023		
	Operating	Fair Value Adjustment	Reported	Operating	Fair Value Adjustment	Reported
Revenue	178.6	-	178.6	198.6	4.5	203.1
Cost of Sales	(92.3)	(4.1)	(96.4)	(102.5)	(10.5)	(113.0)
Gross Profit	86.3	(4.1)	82.2	96.1	(6.0)	90.1
Operating Expenses	(37.9)	(17.8)	(55.7)	(34.1)	-	(34.1)
EBIT¹	48.4	(21.9)	26.5	62.0	(6.0)	56.0
Interest and Tax	(20.1)	6.1	(14.0)	(24.2)	1.6	(22.6)
NPAT²	28.3	(15.8)	12.5	37.8	(4.4)	33.4
EBIT ¹	48.4	(21.9)	26.5	62.0	(6.0)	56.0
Depreciation and amortisation	13.2	-	13.2	12.8	-	12.8
EBITDA³	61.6	(21.9)	39.7	74.8	(6.0)	68.8

Notes:
1. EBIT means earnings before interest and tax.
2. NPAT means net profit after tax.
3. EBITDA means earnings before interest, tax, depreciation and amortisation.

LOOKING FORWARD

The Group expects its 2025 Operating Net Profit After Tax to be at the lower end of the range of \$55.0 million to \$60.0 million.



JIM DELEGAT
CHAIR

STATEMENT OF FINANCIAL PERFORMANCE

	Unaudited Dec 2024 6 Months \$000	Audited June 2024 12 Months \$000	Unaudited Dec 2023 6 Months \$000
Revenue	178,644	378,346	203,080
Profit before finance costs	26,404	81,283	55,970
Finance costs	9,042	19,705	9,608
Profit before income tax	17,362	61,578	46,362
Income tax expense	4,895	30,201	12,915
Profit for the Period attributable to Shareholders of the Parent Company	12,467	31,377	33,447
Earnings Per Share			
- Basic and fully diluted earnings per share (cents per share)	12.33	31.03	33.07

STATEMENT OF OTHER COMPREHENSIVE INCOME

	Unaudited Dec 2024 6 Months \$000	Audited June 2024 12 Months \$000	Unaudited Dec 2023 6 Months \$000
Profit after income tax	12,467	31,377	33,447
<i>Other comprehensive income that may subsequently be classified to the profit and loss:</i>			
- Translation of foreign subsidiaries	3,949	183	(2,006)
- Net (loss)/gain on hedge of a net investment	(304)	(125)	303
- Income tax relating to components of other comprehensive income	85	35	(85)
Total comprehensive income for the period, net of tax	16,197	31,470	31,659
Comprehensive income attributable to Shareholders of the Parent Company	16,197	31,470	31,659

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2024 (UNAUDITED)

	Share Capital	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000
Audited balance at 30 June 2024	49,815	19	506,165	555,999
Changes in equity for the period ended 31 December 2024				
<i>Other comprehensive income</i>				
- Translation of foreign subsidiaries	-	3,949	-	3,949
- Net loss on hedge of a net investment	-	(304)	-	(304)
- Income tax relating to components of other comprehensive income	-	85	-	85
Total other comprehensive income	-	3,730	-	3,730
- Net profit for the period	-	-	12,467	12,467
Total comprehensive income for the period	-	3,730	12,467	16,197
<i>Equity Transactions</i>				
- Dividends paid to shareholders	-	-	(20,233)	(20,233)
Unaudited balance at 31 December 2024	49,815	3,749	498,399	551,963

FOR THE YEAR ENDED 30 JUNE 2024 (AUDITED)

	Share Capital	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000
Audited balance at 30 June 2023	49,815	(74)	495,030	544,771
Changes in equity for the year ended 30 June 2024				
<i>Other comprehensive income</i>				
- Translation of foreign subsidiaries	-	183	-	183
- Net loss on hedge of a net investment	-	(125)	-	(125)
- Income tax relating to components of other comprehensive income	-	35	-	35
Total other comprehensive income	-	93	-	93
- Net profit for the year	-	-	31,377	31,377
Total comprehensive income for the year	-	93	31,377	31,470
<i>Equity Transactions</i>				
- Dividends paid to shareholders	-	-	(20,242)	(20,242)
Audited balance at 30 June 2024	49,815	19	506,165	555,999

STATEMENT OF CHANGES IN EQUITY CONTINUED

FOR THE PERIOD ENDED 31 DECEMBER 2023 (UNAUDITED)

	Share Capital	Foreign Currency Translation Reserve	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000
Audited balance at 30 June 2023	49,815	(74)	495,030	544,771
Changes in equity for the period ended 31 December 2023				
<i>Other comprehensive income</i>				
- Translation of foreign subsidiaries	-	(2,006)	-	(2,006)
- Net gain on hedge of a net investment	-	303	-	303
- Income tax relating to components of other comprehensive income	-	(85)	-	(85)
Total other comprehensive income	-	(1,788)	-	(1,788)
- Net profit for the period	-	-	33,447	33,447
Total comprehensive income for the period	-	(1,788)	33,447	31,659
<i>Equity Transactions</i>				
- Dividends paid to shareholders	-	-	(20,242)	(20,242)
Unaudited balance at 31 December 2023	49,815	(1,862)	508,235	556,188

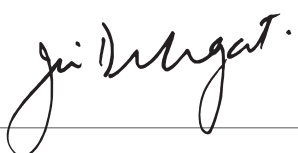
STATEMENT OF FINANCIAL POSITION

	Unaudited Dec 2024 \$000	Audited June 2024 \$000	Unaudited Dec 2023 \$000
Equity			
Share capital	49,815	49,815	49,815
Foreign currency translation reserve	3,749	19	(1,862)
Retained earnings	498,399	506,165	508,235
Total Equity	551,963	555,999	556,188
Liabilities			
Current Liabilities			
Trade payables and accruals	41,405	37,760	43,478
Derivative financial instruments	11,466	46	-
Income tax payable	4,163	2,927	10,699
Lease liability	7,626	9,663	4,939
	64,660	50,396	59,116
Non-Current Liabilities			
Deferred tax liability	56,755	55,092	41,763
Derivative financial instruments	2,160	-	-
Interest-bearing loans and borrowings (secured)	353,794	369,478	357,553
Lease liability	96,041	84,950	91,010
	508,750	509,520	490,326
Total Liabilities	573,410	559,916	549,442
Total Equity and Liabilities	1,125,373	1,115,915	1,105,630

STATEMENT OF FINANCIAL POSITION CONTINUED

	Unaudited Dec 2024 \$000	Audited June 2024 \$000	Unaudited Dec 2023 \$000
Assets			
Current Assets			
Cash and cash equivalents	8,161	9,384	5,296
Trade and other receivables	69,144	86,128	86,024
Derivative financial instruments	29	2,707	5,538
Inventories	137,668	181,924	151,187
Biological work in progress	54,902	15,565	56,457
Assets held for sale	-	7,240	-
	269,904	302,948	304,502
Non-Current Assets			
Property, plant and equipment	766,951	728,180	720,661
Right-of-use assets	82,036	76,769	73,553
Intangible assets	6,482	6,434	6,416
Derivative financial instruments	-	1,584	498
	855,469	812,967	801,128
Total Assets	1,125,373	1,115,915	1,105,630

For, and on behalf of, the Board who authorised the issue of the financial statements on 28 February 2025.



JN Delekat
Chair



GN MacLeod
Director

STATEMENT OF CASH FLOWS

	Unaudited Dec 2024 6 Months \$000	Audited June 2024 12 Months \$000	Unaudited Dec 2023 6 Months \$000
Operating Activities			
Cash was provided from			
Receipts from customers	193,667	352,239	174,888
Net GST received	143	1,889	2,776
	193,810	354,128	177,664
Cash was applied to			
Payments to suppliers and employees	107,060	262,922	130,263
Net interest paid	9,229	19,449	8,389
Net income tax paid	1,967	14,896	3,258
	118,256	297,267	141,910
Net Cash Inflows from Operating Activities	75,554	56,861	35,754
Investing Activities			
Cash was provided from			
Proceeds from sale of property, plant and equipment	7,596	99	46
Dividends received	16	18	1
	7,612	117	47
Cash was applied to			
Purchase of property, plant and equipment	37,395	65,978	43,351
Purchase of intangible assets	-	32	35
Capitalised interest paid	3,374	5,563	2,784
	40,769	71,573	46,170
Net Cash Outflows from Investing Activities	(33,157)	(71,456)	(46,123)

STATEMENT OF CASH FLOWS CONTINUED

	Unaudited Dec 2024 6 Months \$000	Audited June 2024 12 Months \$000	Unaudited Dec 2023 6 Months \$000
Financing Activities			
Cash was provided from			
Proceeds from borrowings	4,858	51,056	52,154
	4,858	51,056	52,154
Cash was applied to			
Dividends paid to shareholders	20,213	20,232	20,225
Borrowing facility fees	-	200	-
Repayment of borrowings	21,312	8,032	20,137
Repayment of lease liability	7,491	5,188	2,615
	49,016	33,652	42,977
Net Cash (Outflows)/Inflows from Financing Activities	(44,158)	17,404	9,177
Net (Decrease)/Increase in Cash Held	(1,761)	2,809	(1,192)
Cash and cash equivalents at beginning of the year	9,384	6,610	6,610
Effect of exchange rate changes on foreign currency balances	538	(35)	(122)
Cash and Cash Equivalents at End of the Period	8,161	9,384	5,296

STATEMENT OF CASH FLOWS CONTINUED

	Unaudited Dec 2024 6 Months \$000	Audited June 2024 12 Months \$000	Unaudited Dec 2023 6 Months \$000
Reconciliation of Profit for the Period with Cash Flows from Operating Activities:			
Reported profit after tax	12,467	31,377	33,447
Add/(deduct) items not involving cash flows			
Depreciation and amortisation expense	13,326	25,835	12,794
Other non-cash items	3,471	(4,307)	(1,669)
Net loss on disposal of assets	40	40	60
Movement in derivative financial instruments	17,842	(2,689)	(4,480)
Movement in deferred tax liability	1,663	14,307	978
	36,342	33,186	7,683
Movement in working capital balances are as follows:			
Trade payables and accruals	3,645	(14,451)	(8,733)
Trade and other receivables	16,984	(23,650)	(23,546)
Inventories	44,256	27,831	58,568
Biological work in progress	(39,337)	(855)	(41,747)
Income tax	1,236	972	8,744
Add items classified as investing and financing activities			
Capital purchases included within trade payables and inventories	(39)	2,451	1,338
	26,745	(7,702)	(5,376)
Net Cash Inflows from Operating Activities	75,554	56,861	35,754
Reconciliation of movement in Net Debt:			
Opening balance at beginning of the year	360,094	319,398	319,398
Per statement of cash flows:			
- Net (repayment)/proceeds from borrowings	(16,454)	43,024	32,017
- Borrowing facility fees	-	(200)	-
- Net decrease/(increase) in cash held	1,761	(2,809)	1,192
Foreign exchange movement	66	283	(500)
Other non-cash movements	166	398	150
Closing balance at end of the Period	345,633	360,094	352,257

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

REPORTING ENTITY

The financial statements presented are those of Delegat Group Limited and its subsidiaries (the Group). Delegat Group Limited is a company limited by shares, incorporated and domiciled in New Zealand and registered under the Companies Act 1993. The Parent shares are publicly traded on the New Zealand Stock Exchange.

The financial statements for the Group for the six months ended 31 December 2024 were authorised for issue in accordance with a resolution of the Directors on 28 February 2025.

BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP), the requirements of the Financial Markets Conduct Act 2013, and NZ IAS 34: Interim Financial Reporting. Accounting policies applied in these interim financial statements comply with New Zealand equivalents to International Financial Reporting Standards, and other applicable Financial Reporting Standards (NZ IFRS) as applicable to the Group as a profit-oriented entity.

The interim financial statements are presented in New Zealand Dollars, rounded to the nearest thousand. They are prepared on a historical cost basis except for derivative financial instruments and biological produce which have been measured at fair value.

The preparation of the interim financial statements in conformity with NZ IAS 34 requires the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments such as forward currency contracts and options to economically hedge its risk associated with foreign currency and interest rate swaps to manage interest rate risk. Such financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured to fair value at balance date. In estimating the fair value of the derivative financial instruments the Group uses level 2 inputs of the fair value measurement hierarchy. The Group's derivative financial instruments fall into level 2 of the fair value measurement hierarchy because their fair value is determined using inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly as prices or indirectly (derived from prices). The fair values are derived through valuation techniques that maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year. Refer to the published financial statements for the year ended 30 June 2024 for a complete listing of the Group accounting policies.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

2. SEGMENTAL REPORTING

The Group reviews its operational performance based upon the management and the geographic areas in which their customers are based. Financial information which is available to management in order to assess segment performance and investment opportunities is presented on the same basis. In accordance with NZ IFRS 8: Operating Segments this forms the basis of presentation for Segment Reporting and is the format adopted below:

– Delegat Limited (Delegat) is party to vineyard leases and has interests in freehold land and winery infrastructure which allows the company to grow, harvest and make finished wine to be marketed, distributed and sold into the Super Premium wine markets. Delegat sells and markets its product through a combination of subsidiary companies based overseas or to customers and distributors directly in the New Zealand, Canadian, Asian and Pacific Island markets. Delegat Australia Pty Limited, Delegat Europe Limited and Delegat USA, Inc. act as distributors and assist in the marketing of product in their respective geographic regions. Wines are sold all year round to all regions and the Group considers there is no significant variation in revenues throughout the year.

The Group implements appropriate transfer pricing regimes within the operating segments on an arm's length basis in a manner similar to transactions with third parties.

Management monitors the operating results of its business units separately for the purpose of making resource allocations and performance assessments. Segment performance is evaluated based on operating profit or loss, which may be measured differently from operating profit or loss in the consolidated financial statements as segment reporting is based upon internal management reports. The main differences are a result of some deferred tax balances being recognised upon consolidation not being allocated to individual subsidiaries. Also intercompany stock margin eliminations are managed on a group basis and are not allocated to operating segments.

For the 6 months ended 31 December 2024	Delegat Limited	Delegat Australia Pty Ltd	Delegat Europe Limited	Delegat USA, Inc.	Other Segments ¹⁰	Eliminations and Adjustments ¹¹	6 months ended 31 December 2024
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating income							
External sales ^{2,8}	36,980	30,217	48,777	90,064	5,783	(33,230)	178,591
Internal sales	154,233	–	–	–	4,040	(158,273)	–
Dividend revenue	16	–	–	–	810	(797)	29
Interest revenue	12	4	3	1	4	–	24
Total segment revenues¹	191,241	30,221	48,780	90,065	10,637	(192,300)	178,644
Operating expenses							
Interest expense ³	7,832	52	3	79	1,076	–	9,042
Depreciation and amortisation ⁴	11,879	251	82	245	869	–	13,326
Income tax expense ⁵	5,025	184	431	377	363	(1,485)	4,895
Segment profit / (loss)	12,637	421	1,291	1,006	1,726	(4,614)	12,467
Assets							
Segment assets ⁶	1,027,787	16,260	50,016	37,248	119,452	(125,390)	1,125,373
Capital expenditure ⁷	40,274	–	–	–	238	–	40,512
Segment liabilities	550,948	10,652	30,331	7,369	44,408	(70,298)	573,410

NOTES TO THE FINANCIAL STATEMENTS CONTINUED**2. SEGMENTAL REPORTING (CONTINUED)**

For the 6 months ended 31 December 2023	Delegat Limited	Delegat Australia Pty Ltd	Delegat Europe Limited	Delegat USA, Inc.	Other Segments ¹⁰	Eliminations and Adjustments ¹¹	6 months ended 31 December 2023
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Operating income							
External sales ^{2,9,12}	37,527	32,304	52,644	110,241	4,163	(38,652)	198,227
Internal sales	178,094	-	-	-	3,192	(181,286)	-
Unrealised foreign exchange (loss)/gain	(1,793)	-	42	-	2	2,076	327
Fair value gain on derivative financial instruments	4,480	-	-	-	-	-	4,480
Dividend revenue	1	-	-	-	21	-	22
Interest revenue	15	4	2	-	3	-	24
Total segment revenues¹	218,324	32,308	52,688	110,241	7,381	(217,862)	203,080
Operating expenses							
Interest expense ³	8,488	19	14	10	1,077	-	9,608
Depreciation and amortisation ⁴	11,319	284	79	278	834	-	12,794
Income tax expense ⁵	10,453	205	465	429	139	1,224	12,915
Segment profit	26,695	467	1,393	1,357	388	3,147	33,447
Assets							
Segment assets ⁶	1,033,118	15,798	53,688	37,221	111,794	(145,989)	1,105,630
Capital expenditure ⁷	44,602	2	17	8	185	-	44,814
Segment liabilities	542,067	9,364	38,494	12,502	42,413	(95,398)	549,442

- Intersegment revenues are eliminated on consolidation. Intercompany profit margins are also eliminated.
- External sales revenue includes various payments to customers for volume discounts, rebates and other promotional support. For volume discounts, rebates and other promotional support not invoiced at 30 June 2024 the Group recognised accruals of \$28,780,000 (30 June 2023: \$25,719,000). During the six months ended 31 December 2024 \$206,000 of these accruals have been released (31 December 2023: charge of \$195,000).
- Interest expense is net of any interest capitalised to long-term assets and inventory. During the period \$3,374,000 (31 December 2023: \$2,784,000) was capitalised to long-term assets. During the period \$2,494,000 (31 December 2023: \$2,400,000) was capitalised to inventory.
- Depreciation expense presented above is gross of \$11,459,000 (31 December 2023: \$10,670,000), which has been included within inventory.
- Segment income tax expense does not include the deferred tax impacts of temporary differences arising from intercompany stock margin eliminations or fair value adjustments resulting from the purchase of subsidiary companies as these are managed on a group level.
- Segment assets include the value of investments and loan balances for subsidiaries which reside in Delegat Limited however do not include the effects of stock margin eliminations for stock on hand in subsidiaries.
- Capital expenditure consists of additions of property, plant and equipment inclusive of capitalised interest. Capital expenditure is included within each of the reported segment assets noted above.
- For the six months ended 31 December 2024 Delegat USA, Inc. had a single customer which comprised 10% or more of Group sales amounting to \$44,979,000.
- For the six months ended 31 December 2023 Delegat USA, Inc. had a single customer which comprised 10% or more of Group sales amounting to \$53,823,000.
- Other segments' assets include non-current assets of Barossa Valley Estate Pty Limited of \$45,387,000 (31 December 2023: \$45,280,000) which are located in Australia.
- The eliminations and adjustments of segment profit, assets and liabilities relate to intercompany transactions and balances which are eliminated on consolidation.
- The classification of external sales between segments in the prior period has been restated to be comparable with the classification in the current period.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

3. EXPENSES

Expenses by function have been categorised as follows:

	Unaudited Dec 2024 6 Months \$000	Audited June 2024 12 Months \$000	Unaudited Dec 2023 6 Months \$000
Cost of sales	96,413	228,488	113,016
Selling, marketing and promotion expenses	28,135	49,637	24,735
Corporate governance expenses	783	1,709	750
Administration expenses	8,260	17,229	8,609
Unrealised foreign exchange losses	807	-	-
Fair value loss on financial derivative instruments	17,842	-	-

4. ACQUISITION AND DISPOSAL OF ASSETS

During the six months ended 31 December 2024 the Group incurred total capital expenditure of \$40,512,000 (31 December 2023: \$44,814,000). During the six months ended 31 December 2024 the Group disposed of property, plant and equipment with a net book value of \$7,342,000 (31 December 2023: \$107,000).

5. CAPITAL COMMITMENTS

The estimated capital expenditure contracted for at 31 December 2024 but not provided for is \$11,856,000 (31 December 2023: \$32,753,000).

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Directors

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Doug Alexander McKay
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