

Interim Result announcement

23 February 2024

Delegat reports solid HY24 results

HY24 summary

- **Global Case Sales** of 1,924,000, down 46,000 cases on HY23 (-2%)
- **Operating Revenue** of \$198.6 million, down \$0.2 million on HY23 (0%)
- **Operating EBITDA** of \$74.8 million, up \$0.6 million on HY23 (+1%)
- **Operating NPAT** of \$37.8 million, down \$2.4 million on HY23 (-6%)
- **Reported NPAT** of \$33.4 million, down \$7.3 million on HY23 (-18%)
- **Cash from operations** of \$35.8 million, up \$0.5 million on HY23 (+1%)
- New Zealand remains the **fastest growing country of origin** in premium US wine
- Continued **growth in Oyster Bay** consumer sales and market share in the US market
- **Solid sales performance** despite distributors and retailers resetting inventory holdings, resulting in lower replenishment orders for the year to date
- **Ongoing investment in vineyard plantings and winery capacity expansion** to support future earnings growth

Delegat Group (NZX: DGL) has released its interim results today, announcing an operating net profit after tax of \$37.8 million for the six months ending December 2023 (HY24).

The NZX-listed wine maker and exporter achieved global case sales of 1.92 million cases over the six-month period, generating operating revenue of \$198.6 million, consistent with the previous corresponding period. Managing Director Steven Carden said these were pleasing half-year results for the Group in the context of current global economic conditions.

“Despite the resetting of inventories by retailers and distributors in major markets during this period we delivered a solid sales performance,” Carden said. “We are seeing strong growth in the key US market through scan data, which is not reflected in the interim result due to the inventory resetting trend. We achieved 6.4% growth in consumer sales over the last six months in the US.”

Delegat remains the number one exporter of New Zealand wine, with over 95% of its wine sold offshore year to date. The Group has implemented price increases globally, helping to maintain year-on-year operating revenue.

Delegat maintained operating EBITDA of \$74.8 million, up 1% on HY23. With its distribution channels and world-class viticulture and winemaking assets already providing strong foundations for growth, the Group has focused its investment on consumer marketing to drive awareness and affinity. The Group’s global marketing programmes delivered over 700 million consumer impressions online in the six months to December 2023, a 45% increase on HY23.

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Carden says “the Group has invested \$44m in New Zealand vineyard developments and winery expansion in the six-month period to provide for future earnings growth. We plan to continue investing in vineyards and wineries in the second half of FY24.”

Guidance:

The Group maintains the FY24 Operating Profit guidance in the range of \$57 million to \$61 million.

Ends.

For further information:

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