



## Top Shelf International Holdings Ltd

**Principal Place of Business:  
16-18 National Boulevard  
Campbellfield  
Victoria  
Australia 3061**

**30 August 2022**

### **ASX ANNOUNCEMENT (ASX:TSI)**

#### **Financial results for the 12-month period ended 30 June 2022 (“FY22”)**

Top Shelf International Holdings Ltd (ASX:TSI) (“Top Shelf” or the “Company”) is pleased to announce its financial results for FY22 accompanied by an ASX Appendix 4E, annual report and FY22 investor presentation.

Top Shelf’s Chief Executive Drew Fairchild said: *“We are participating in Australia’s fastest growing alcohol segments and the world’s most popular spirit categories.*

*“Our brands are currently the fastest growing Australian brands in their respective categories and we couldn’t be more excited to reveal our Australian agave brand in the coming weeks to complete our premium Australian spirits portfolio.*

*“The investment in our asset base allows us to compete at scale and critically control our own supply chain to deliver on our customer promise and realising operating leverage, whilst also being at the forefront of product innovation.*

*“Having navigated our greatest challenges, Covid and waiting for our whisky inventory to mature, we find ourselves in the right place at the right time.*

*“Our pre-eminent Australian spirits platform is primed for delivery and further acceleration in FY23.*

*“NED Whisky and Grainshaker Vodka are the number one and fastest growing Australian spirit brands in their respective spirit categories.*

*“We couldn’t be happier with the trajectory of branded revenue growth and with revenue growth of 184% in July/August versus the prior comparative period in FY22 sets up for a strong FY23.”*

#### **FY22 achievements**

Achievements during FY22 included:

- Recognition of NED Whisky and Grainshaker Vodka as the number one and fastest growing brands in their respective spirit categories in Australia;
- Pro forma revenue of \$26.6m, including:
  - +96% growth H2 FY22 to H1 FY22;
  - +72% growth Q4 FY22 on Q3 FY22; and
  - FY23 Jul/Aug YTD revenue growth of 184% on the prior comparative period in FY22;
- Off premise distribution point growth of 221% largely in the second half of FY22 enabled by access to supply of high quality whisky from March 2022;
- National ranging of NED Whisky and Grainshaker Vodka in Coles Liquor Group stores (Liquorland, First Choice and Vintage Cellars) from March 2022;
- Up than 3.5m people expected to attend events where NED Whisky and Grainshaker Vodka will be sold in calendar year 2022.

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- Planning and readiness for the Australian Agave brand reveal, scheduled for 12 September 2022, to complete Top Shelf's portfolio of premium spirit brands;
- Over 2.0 million litres of whisky under maturation (@ 43% ABV) and exceeding 70% of the initial agave planting program at Top Shelf's agave farm in Queensland to become the largest agave estate outside of Mexico;
- Development approval in June 2022 from the Whitsunday Regional Council for the Company's Australian Agave distillery project;
- Gold medals at the 2021 Melbourne Royal Australian Distilled Spirit Awards (ADSA) for two super premium, limited batch NED Whisky Wanted Series releases. The gold medals were among 21 industry accolades bestowed upon NED Whisky and Grainshaker Vodka in FY22;
- Extension of the Longreach Credit financing facility, which reflects the confidence of our debt provider in the investments we have made and the quality of our asset base; and
- The continued build out of the capability of our team, the appointment of experienced alcohol brand executive, Trent Fraser, to lead Top Shelf's Australian Agave Project and International expansion.

### FY22 financial performance snapshot

\$m	FY22			FY21
	1H	2H	FY	FY
Revenue				
Branded product <sup>1</sup>	4.6	7.8	12.4	12.7
Contract packaging	6.8	6.1	12.9	6.5
<b>Revenue - total</b>	<b>11.4</b>	<b>15.2</b>	<b>26.6</b>	<b>19.2</b>
Gross margin	2.4	3.1	5.5	4.7
Agave plant fair value gain	3.1	3.2	6.3	5.6
Distribution	(0.6)	(0.4)	(1.0)	(0.7)
Selling	(2.6)	(3.3)	(5.9)	(4.2)
Marketing	(1.7)	(1.9)	(3.6)	(1.0)
Operating	(2.1)	(2.2)	(4.3)	(2.6)
<b>Operating contribution</b>	<b>(1.5)</b>	<b>(1.5)</b>	<b>(3.1)</b>	<b>1.8</b>
Business investment	(2.0)	(3.0)	(5.1)	(2.2)
<b>Contribution margin</b>	<b>(3.5)</b>	<b>(4.5)</b>	<b>(8.1)</b>	<b>(0.5)</b>
Group support	(3.2)	(2.6)	(5.9)	(5.8)
<b>Underlying EBITDA</b>	<b>(6.8)</b>	<b>(7.2)</b>	<b>(14.0)</b>	<b>(8.2)</b>
<i>Underlying gross profit % <sup>2</sup></i>	<i>27.0%</i>	<i>27.0%</i>	<i>27.0%</i>	<i>24.9%</i>
<i>Net excise gross profit %</i>	<i>36.8%</i>	<i>39.8%</i>	<i>38.1%</i>	<i>36.9%</i>
<i>Product COGS as % of net excise revenue</i>	<i>63.6%</i>	<i>51.6%</i>	<i>56.7%</i>	<i>63.0%</i>
<i>Operating and group costs as a % of revenue</i>	<i>89.5%</i>	<i>68.4%</i>	<i>77.8%</i>	<i>74.5%</i>

1. FY22 2H revenue has been presented on a pro forma basis with the consistent recognition of all domestic channel revenue on a gross excise basis (FY22 2H incremental revenue on a pro forma basis: \$1.3m; FY22 1H: \$nil; FY21: \$nil).
2. Underlying gross profit is presented exclusive of contract packaging passthrough revenue. Excise passthrough revenue excluded from the underlying gross profit calculation: FY21: \$0.4 million; FY22 1H: \$2.6 million; FY22 2H: \$2.4 million.

### **Available funds**

The Company has available funds of \$38.7 million reflecting cash as at 30 June 2022 of \$20.1 million and available drawings of \$18.6 million from the Company's finance facility with Longreach Credit. The available drawings reflect a facility extension of \$20.0 million to \$45.0 million in August 2022. The facility maturity date has been extended to December 2024.

### **Investor conference call**

A presentation and discussion will be hosted by Drew Fairchild (Managing Director), Adem Karafili (Executive Chairman), Ben Kennare (Chief Financial Officer), and Matthew Slade (Investor Relations Director) on **Tuesday 30 August 2022 at 10:00 am (AEST)**.

Conference Call Dial-In Details:

Participants must pre-register for the call via the link below:

<https://s1.c-conf.com/diamondpass/10023986-psq7fd.html>

### **Ends**

*This announcement was approved by Top Shelf's Chief Executive Officer, Drew Fairchild, on behalf of the Top Shelf Board.*

### **For more information (investors and media)**

For further information, please visit our investor website <https://www.topshelfgroup.com.au/investors> or contact investor relations at [info@topshelfgroup.com.au](mailto:info@topshelfgroup.com.au) or on (03) 8317 9990.

Media enquiries, please contact Matt Slade 0409 916 474.

### **About Top Shelf**

Top Shelf International is a Melbourne based distiller and marketer of premium Australian spirits, with distinctive brands in NED Australian Whisky and Grainshaker Hand Made Australian Vodka. The Company has a track record of success creating high quality, premium Australian products and brands; each in its own way encapsulating a distinctive Aussie attitude, social experience and flavour profile.

The Company has expertise in the development and production of distilled spirits, undertakes a significant level of research and development and operates modern fermentation, distillation and packaging facilities in Campbellfield, Victoria.

The Company is creating Australia's first agave spirit range and is developing an Agave farm in The Whitsundays region of Queensland specifically chosen for the suitability of its climate for growing blue agave. In development of the farm the Company has committed to the application of up-to-date and innovative horticultural practices.

In addition to distilling and manufacturing its own portfolio of spirit brands, Top Shelf also provides canning, bottling and packaging services to a range of customers.