

# Q3 FY24 Earnings Call

May 13<sup>th</sup>, 2024

Nicolas Krantz, CEO  
Juan Alonso, CFO

**CORBÝ**

TSX: CSW.A and CSW.B



# Overview



- **Solid retail value growth of our Brands portfolio consistently outpacing the overall Spirits and RTD market for six consecutive quarters**
- **Effectiveness of our sales execution strategy focused on amplifying growth across our brands through diverse price points**
- **Corby delivered dynamic Revenue growth of +37% in FYTD March'24, boosted by ABG results**
- **Purposeful resources management**
- **Successful digital transformation journey**
- **Continued expansion into the highly attractive RTD segment with Nude acquisition to strengthen our foothold in West Canada**



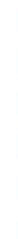
A historically-mature domestic market with recent slowdown in growth, as On-Premise continues to normalize & Retail declines

## CATEGORY

Rolling 12-month period at the end of Mar 2024

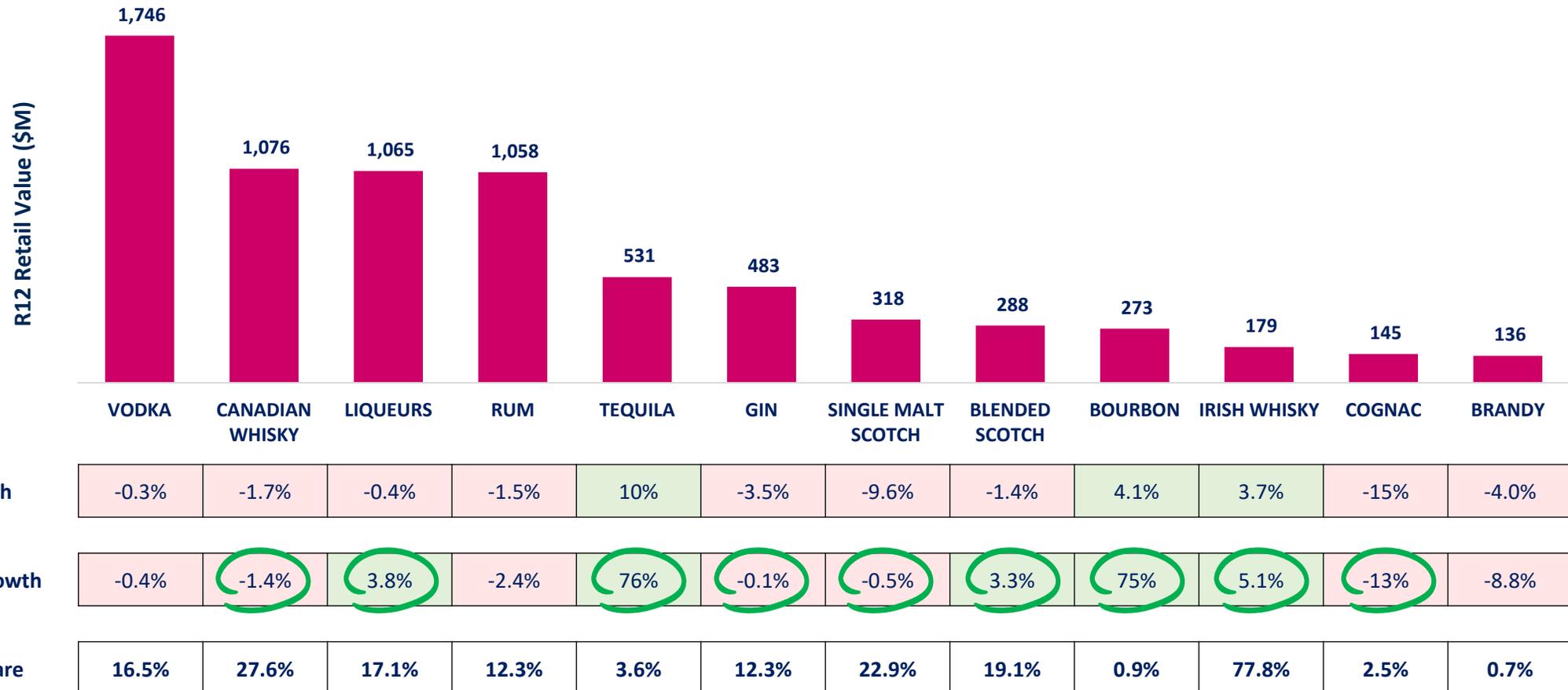


Rolling 3-month period at the end of Mar 2024



# R12 March FY24 | Canada Market Overview & Corby Performance

Within the C\$7.5B Canadian Spirits market, Corby has a strong market share in top Spirits categories



## Corby has been consistently outperforming the Spirits and RTD market for 6 consecutive quarters

- #2 in the Canadian Spirits market
- 3 of the **top 10 spirits brands** in Canada by value: Absolut, J.P. Wiser's & Jameson
- Corby is the **market leader** by volume in Irish Whiskey and Single Malt Scotch

	Market	Corby
Spirits	-0.5%	+1.4%
RTD	+7.7%	+12%
Spirits, RTD & Wine	-0.1%	+1.7%

Solid financial results despite the market slowdown

## Case Goods Volume



2.9m 9Lc  
+83%

ACE BEVERAGE GROUP

1.3m 9Lc

## Revenue



\$163.1m  
+37%

ACE BEVERAGE GROUP

\$38.1m

## YTD FY24 Dividend



\$0.63

Q1: \$0.21  
Q2: \$0.21  
Q3: \$0.21

## Adj. Earnings from Ops.



\$35.4m  
+33%

## Adj. Net Earnings



\$22.9m  
+13%

## Cash from Operating Activities



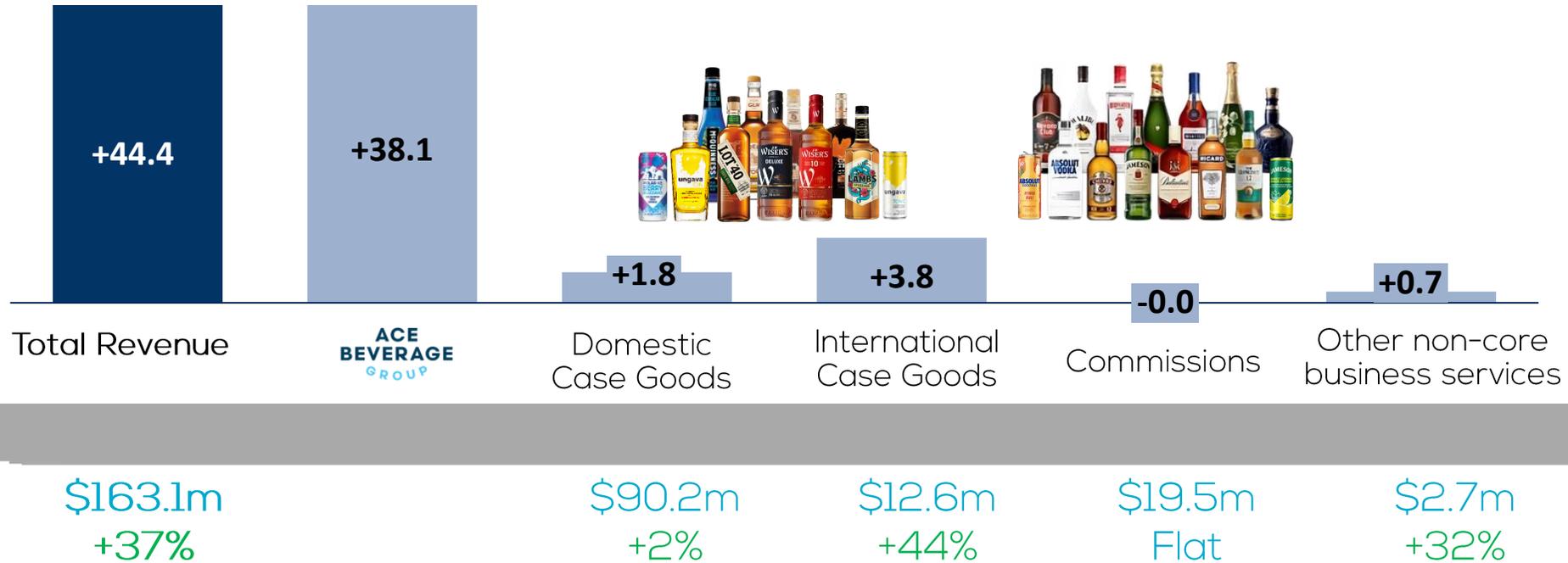
\$14.7m  
-\$1.8m vs LY



# YTD March FY24 | Corby's Revenue grew +37% / +\$44.4m



## YTD March FY24 Revenue variation breakdown, in \$m



QUARTERLY REVENUE GROWTH	Q1	Q2	Q3	FYTD Mar'24
		+43%	+23%	+50%
EXCL. ACE BEVERAGE GROUP	Flat	+1%	+18%	+5%

# Brand Highlights



Communications

Innovation

L3F/ Activation

Robust financial results enhanced by ABG performance inclusion

C\$m	YTD Mar FY24	% change
Revenue	163.1	+37%
Total cost of Sales, Marketing, and Administration	(131.1)	+42%
Earnings from Operations	32.0	+21%
Adj. Earnings from Operations	35.4	+33%
Financial result	(5.8)	(6x)
Income taxes	(7.1)	(3)%
Net Earnings	19.1	(6)%
Adj. Net Earnings	22.9	+13%



**Adjusted Net  
Earnings per share**

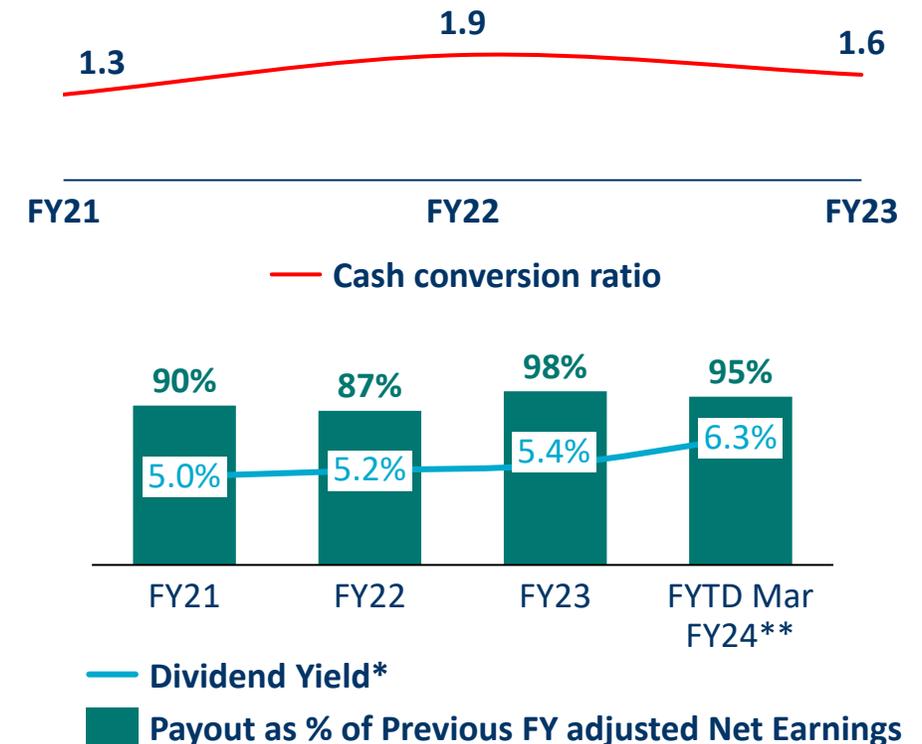
**\$0.81**

Reported Earnings per share  
\$0.67

## Consistent dividends paid and competing yields and payout ratios

CA\$M	YTD March'23	YTD March'24
<b>Net cash and debt, beginning of period</b>	<b>52.5</b>	<b>39.4</b>
Net earnings adjusted for non-cash items	37.5	43.0
Net change in non-cash working capital balances	(19.2)	(16.3)
Net payments for interest and income taxes	(1.9)	(12.1)
<b>Cash Flow from Operating Activities</b>	<b>16.4</b>	<b>14.7</b>
Additions to PP&E	(2.8)	(1.9)
<b>Free Cash Flow</b>	<b>13.7</b>	<b>12.7</b>
Business Acquisition <sup>1</sup>	-	(136.3)
Dividends Paid	(19.1)	(17.9)
Lease Payments	(1.0)	(1.1)
<b>Total use of cash during the period</b>	<b>(6.4)</b>	<b>(142.6)</b>
Cash in cash management pools, end of period	46.0	24.0
Bank indebtedness and long-term debt, end of period	-	(127.3)
<b>Net cash and debt, end of period</b>	<b>46.0</b>	<b>(103.3)</b>

<sup>1</sup>On July 4th, Corby acquired Ace Beverage Group for total consideration of \$136.3M. Bank indebtedness and credit facility payable of ACE on acquisition date totaled \$17.6M



\*Dividends paid / average closing price during the Fiscal year

\*\* Last dividend paid (x4) / closing price as of May 7<sup>th</sup>, 2024

# WELCOMING NUDE BEVERAGES

1

Adds industry-leading brands in key categories to Corby's dynamic product portfolio

2

Expand RTD penetration in strategic market of Western Canada where 90% of NUDE sales come from

3

Enhanced footprint with fully dedicated RTD sales team in BC and Alberta leveraging ABG's execution playbook

4

Accelerated Innovation: Private retailers allow ABG to innovate faster and test more in market.

5

Integrated Production: Utilize ABG and NUDE's combined scale to optimize supply, co-pack and logistics costs



# NUDE BEVERAGES

Major RTD player  
in Western Canada

#4

Market Share RTD  
Brand in BC

\$20M

LTM Revenue

1M

Cases Sold with  
Retail Value of ~\$50M

25

Active SKUs

\$4M

LTM Adj EBITDA



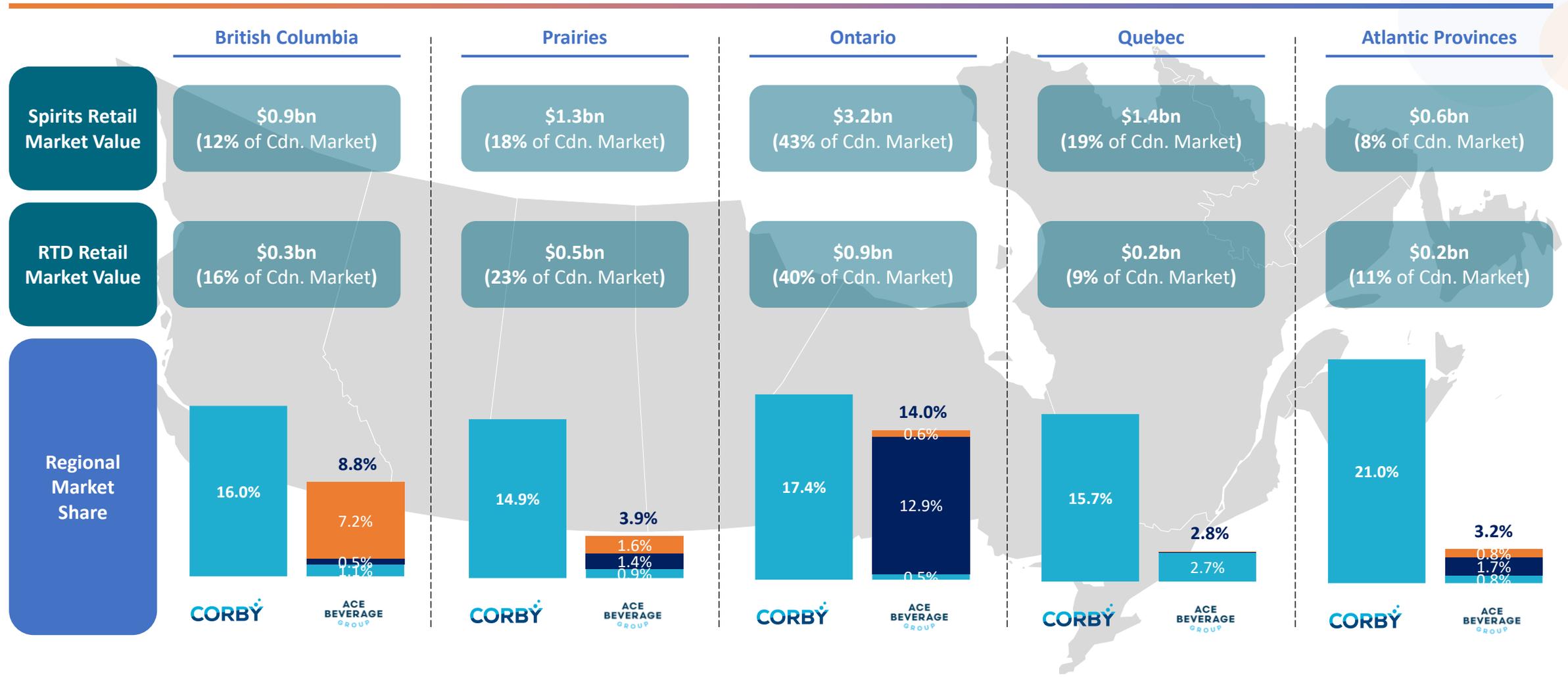
CRAN RASPBERRY

ARCTIC BERRY

BLACK CHERRY

RASPBERRY LEMON

# Canada-Wide Distribution and Execution Strength



Source: ACD.  
 Note: Figures in C\$. Prairies includes Alberta, Saskatchewan, and Manitoba. Atlantic Provinces includes Newfoundland, New Brunswick, Nova Scotia, and Prince Edward Island.  
 Data represents Canadian retail value for LTM Mar24 – incl. Duty Free.



# Expanded Offering to Satisfy Evolving Consumer Preferences

## RTD

## Spirits

## Wine

Corby  
+  
ABG  
+  
Nude



Pernod Ricard  
Representative Brands  
+  
Other  
Representative Brands



*Creating the most diversified portfolio which covers all consumer occasions at all price points*

## Financials

- **Solid commercial performance** with market share gains for 6 successive quarters, translated into **robust financial performance** and **cash delivery**
- **High dividend payout** enabling c. +6% yield

## Business Model

- A **strong Route To Market** enhanced by data-driven **Digital Transformation**
- Further **growth potential** in **export markets**
- A **strong commitment to Sustainability & Responsibility** and **ESG**
- **Very engaged teams** led by a **strong and diverse management team**, with significant industry and international experience
- One of the **most diverse portfolio of strong brands** across all Spirits, Wines and RTDs categories, yet **strengthened** with the **acquisition of Nude brands**

