

# Corby Spirit and Wine Limited reports its fiscal 2023 fourth quarter and year-end results and announces dividend of \$0.21 per share.

TORONTO, Aug. 23, 2023 /CNW/ - Corby Spirit and Wine Limited ("Corby" or the "Company") (TSX: CSW.A) (TSX: CSW.B) today announced financial results for its fiscal 2023 fourth quarter and year-ended period ended June 30, 2023.

**Q4 Revenue +7% and Full Year FY23 Revenue +2% underpinned by solid commercial performance;**

**Quarterly Dividend declared of \$0.21 per share, normalizing to FY19 pre-pandemic levels.**

## QUARTERLY DIVIDEND

The Corby Board of Directors is pleased to declare a **dividend of \$0.21** per Voting Class A Common Share and Non-Voting Class B Common Share of the Company, normalizing to FY19 pre-pandemic levels. This dividend is **payable on September 29, 2023** to shareholders of record as at the close of business on September 15, 2023.

## SPIRITS MARKET TREND

The domestic spirits market continued to show solid value growth, driven by pricing and mix premiumization while seeing a normalization across the Off and On-premise channels to FY19 pre-pandemic levels.

## FINANCIAL RESULTS

**The fourth quarter** of the fiscal year ended with **Revenue** growing **+7%** compared to the same period last year, driven by:

- **Positive shipments phasing** resulting in **international markets sales +57%** due to new markets opportunities and continued US market development with our flagship brand J.P. Wiser's;
- **Commissions +17%** reflecting solid commercial performance and pricing strategy, partly offset by;
- **Softer domestic Case Good sales -1%.**

As a result, **full year Revenue** for the **fiscal year 2023** grew by **+2%** versus last year, driven by:

- **Robust performance** for **domestic Case Goods sales +3%** with strong underlying demand and price increases across the portfolio;
- **Strong Export sales +9%** driven by premiumization in the US and opportunities in new markets;
- **Commissions +1%** with positive momentum on spirits partially offset by softer trends on wines and supply chain disruptions.

In the fourth quarter, marketing, sales and administrative expenses increased **+9%** reflecting investments in our key brands and organizational streamlining costs. **Marketing, sales and administrative expenses** increased moderately **+2%** in **full-year Fiscal 2023** vs. last year, reflecting **tight resource management** focused on key strategic brands and priorities.

Adjusted Net Earnings<sup>1</sup> in the fourth quarter declined **-6%** as result of rapidly rising costs (Reported Net Earnings **-48%** in the fourth quarter versus the same period last year). **Adj. Net Earnings<sup>1</sup>** in the **fiscal year 2023** slightly **declined** by **-1%** versus the same period last year (Reported Net Earnings **-6%** in full year FY23 versus last year), affected by **unprecedented rising input costs** (**+9%** in full year

FY23 versus last year) in the global inflationary environment.

Corby's President and Chief Executive Officer, **Nicolas Krantz**, stated,

*"Our brands continue to resonate strongly with consumers and I am proud to close our fiscal year with our total spirits portfolio outperforming the market in a very competitive and volatile environment. Our performance validates our pricing strategy, portfolio prioritization and excellence in execution from all of our teams."*

*Since the onset of the pandemic, we successfully overcame a number of challenges while building solid foundations for the future through investments in our brands, people and capabilities. The recent acquisition of the Ace Beverage Group, with its prominent position in the fast-growing and highly attractive RTD segment, is a unique opportunity to enhance our growth profile.*

*I am excited to lead Corby into this new chapter as we are well positioned to continue creating value for our shareholders."*

For further details, please refer to Corby's Management's Discussion and Analysis and consolidated financial statements and accompanying notes for the three-months and year-ended June 30, 2023, prepared in accordance with International Financial Reporting Standards.

## 1) NON-GAAP FINANCIAL MEASURES

Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other issuers.

Management believes the non-GAAP measures defined above are important supplemental measures of operating performance and highlight trends in the core business that may not otherwise be apparent when relying solely on GAAP financial measures.

Management believes that these measures allow for assessment of the Company's operating performance and financial condition on a basis that is more consistent and comparable between reporting periods.

The following table presents a reconciliation of Earnings from Operations to Adjusted Earnings from Operations and Net Earnings to Adjusted Net Earnings to their most directly comparable financial measures for the three-months and year ended June 30, 2023, and 2022:

(in millions of Canadian dollars, except per share amounts)	Three months ended					Year ended			
	June 30,	June 30,				June 30,	June 30,		
	2023	2022	\$ Change	% Change		2023	2022	\$ Change	% Change
<b>Earnings from Operations</b>	<b>\$ 1.8</b>	<b>\$ 5.0</b>	<b>(3.2)</b>	<b>(64 %)</b>		<b>28.3</b>	<b>32.7</b>	<b>(4.3)</b>	<b>(13 %)</b>
Adjusted for transaction costs related to ACE acquisition	<b>3.0</b>	-	3.0	n.a.		<b>3.0</b>	-	3.0	n.a.
Adjusted for restructuring provisions	<b>0.7</b>	-	0.7	n.a.		<b>0.7</b>	-	0.7	n.a.
Adjusted for fees related to distributor transition	<b>0.4</b>	-	0.4	n.a.		<b>0.4</b>	-	0.4	n.a.
Adjusted for impairment charge	-	2.1	(2.1)	(100 %)		-	2.1	(2.1)	(100 %)
<b>Adjusted Earnings from Operations</b>	<b>5.9</b>	<b>7.1</b>	<b>(1.2)</b>	<b>(17 %)</b>		<b>32.4</b>	<b>34.8</b>	<b>(2.4)</b>	<b>(7 %)</b>
<b>Earning from operations, per share</b>	<b>\$ 0.06</b>	<b>\$ 0.17</b>	<b>\$ (0.11)</b>	<b>(64 %)</b>		<b>\$ 1.00</b>	<b>\$ 1.15</b>	<b>\$ (0.15)</b>	<b>(13 %)</b>
Adjusted for transaction costs related to ACE acquisition	<b>0.10</b>	-	0.10	n.a.		<b>0.10</b>	-	0.10	n.a.
Adjusted for restructuring provisions	<b>0.02</b>	-	0.02	n.a.		<b>0.02</b>	-	0.02	n.a.
Adjusted for fees related to distributor transition	<b>0.01</b>	-	0.01	n.a.		<b>0.01</b>	-	0.01	n.a.
Adjusted for impairment charge	-	0.07	(0.07)	(100 %)		-	0.07	(0.07)	(100 %)
<b>Adjusted earning from operations, per share</b>	<b>\$ 0.21</b>	<b>\$ 0.25</b>	<b>\$ (0.04)</b>	<b>(17 %)</b>		<b>\$ 1.14</b>	<b>\$ 1.22</b>	<b>\$ (0.08)</b>	<b>(7 %)</b>
<b>Net earnings</b>	<b>1.6</b>	<b>3.1</b>	<b>(1.5)</b>	<b>(48 %)</b>		<b>22.0</b>	<b>23.4</b>	<b>(1.4)</b>	<b>(6 %)</b>
Adjusted for transaction costs related to ACE acquisition	<b>2.5</b>	-	2.5	n.a.		<b>2.5</b>	-	2.5	n.a.

Adjusted for restructuring provisions	0.5	-	0.5	n.a.	0.5	-	0.5	n.a.
Adjusted for fees related to distributor transition	0.3	-	0.3	n.a.	0.3	-	0.3	n.a.
Adjusted for impairment charge	-	2.1	(2.1)	(100 %)	-	2.1	(2.1)	(100 %)
<b>Adjusted Net Earnings</b>	<b>4.9</b>	<b>5.3</b>	<b>(0.3)</b>	<b>(6 %)</b>	<b>25.3</b>	<b>25.5</b>	<b>(0.3)</b>	<b>(1 %)</b>
Per common share								
- Basic net earnings	\$ 0.06	\$ 0.11	\$ (0.05)	(48 %)	\$ 0.77	\$ 0.82	\$ (0.05)	(6 %)
- Diluted net earnings	\$ 0.06	\$ 0.11	\$ (0.05)	(48 %)	\$ 0.77	\$ 0.82	\$ (0.05)	(6 %)
<b>Basic net earnings per share</b>	<b>\$ 0.06</b>	<b>\$ 0.11</b>	<b>\$ (0.05)</b>	<b>(48 %)</b>	<b>\$ 0.77</b>	<b>\$ 0.82</b>	<b>\$ (0.05)</b>	<b>(6 %)</b>
Adjusted for transaction costs related to ACE acquisition	0.09	-	0.09	n.a.	0.09	-	0.09	n.a.
Adjusted for restructuring provisions	0.02	-	0.02	n.a.	0.02	-	0.02	n.a.
Adjusted for fees related to distributor transition	0.01	-	0.01	n.a.	0.01	-	0.01	n.a.
Adjusted for impairment charge	-	0.07	(0.07)	(100 %)	-	0.07	(0.07)	(100 %)
<b>Adjusted Basic, net earnings per share</b>	<b>\$ 0.18</b>	<b>\$ 0.18</b>	<b>\$ -</b>	<b>(6 %)</b>	<b>\$ 0.89</b>	<b>\$ 0.89</b>	<b>\$ -</b>	<b>(1 %)</b>
<b>Diluted net earnings per share</b>	<b>\$ 0.06</b>	<b>\$ 0.11</b>	<b>\$ (0.05)</b>	<b>(48 %)</b>	<b>\$ 0.77</b>	<b>\$ 0.82</b>	<b>\$ (0.05)</b>	<b>(6 %)</b>
Adjusted for transaction costs related to ACE acquisition	0.09	-	0.09	n.a.	0.09	-	0.09	n.a.
Adjusted for restructuring provisions	0.02	-	0.02	n.a.	0.02	-	0.02	n.a.
Adjusted for fees related to distributor transition	0.01	-	0.01	n.a.	0.01	-	0.01	n.a.
Adjusted for impairment charge	-	0.07	(0.07)	(100 %)	-	0.07	(0.07)	(100 %)
<b>Adjusted Diluted, net earnings per share</b>	<b>\$ 0.18</b>	<b>\$ 0.18</b>	<b>\$ -</b>	<b>(6 %)</b>	<b>\$ 0.89</b>	<b>\$ 0.89</b>	<b>\$ -</b>	<b>(1 %)</b>

**Adjusted Earnings from Operations** is equal to earnings from operations before interest and taxes for the period adjusted to remove the transaction costs related to the acquisition of Ace Beverage Group ("Ace"), costs and termination fees related to distributor transitions, restructuring provisions and in FY22 a non-cash impairment charge related to the Foreign Affair Winery.

**Adjusted Net Earnings** is equal to net earnings for the period adjusted to remove the transaction costs related to the acquisition of Ace, costs and termination fees related to distributor transitions, restructuring provisions, net of the associated tax impact and in the prior year the non-cash impairment charge related to the Foreign Affair Winery. Adjusted earnings per share and adjusted diluted earnings per share are computed in the same way as basic earnings per share.

Please refer to the "Non-GAAP Financial Measures" section of our MD&A for the three-months and year ended June 30, 2023 as filed on SEDAR+ for further information regarding Non-GAAP measures.

## FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements, including statements concerning possible or assumed future results of Corby's operations. Forward-looking statements typically are preceded by, followed by or include the words "believes", "expects", "anticipates", "estimates", "intends", "plans" or similar expressions. These statements are being provided for the purposes of providing information about management's current expectations and plans and allowing investors and others to get a better understanding of our anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes and are not guarantees of future performance. Although Corby believes that the forward-looking information in this press release is based on information, assumptions and beliefs which are current, reasonable and complete, this information is necessarily subject to a number of factors, risks and uncertainties that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information. For more information on the risks, uncertainties and assumptions that could cause Corby's actual results to differ from current expectations, refer to the Risks and Risk Management section of our Management's Discussion and Analysis for the three-and-twelve-month period ended June 30, 2023 as well as Corby's other public filings, available at [www.sedarplus.ca](http://www.sedarplus.ca) and at <https://corby.ca/en/investors/>. Corby does not undertake to update any forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new

information, future events or otherwise, except as is required by applicable securities laws. Accordingly, readers should not place undue reliance on forward-looking statements. All financial results are reported in Canadian dollars.

## **About Corby Spirit and Wine Limited**

Corby Spirit and Wine Limited is a leading Canadian manufacturer, marketer and distributor of spirits and imported wines. Corby's portfolio of owned-brands includes some of the most renowned brands in Canada, including J.P. Wiser's®, Lot 40®, and Pike Creek® Canadian whiskies, Lamb's® rum, Polar Ice® vodka and McGuinness® liqueurs, as well as the Ungava® gin, Cabot Trail® maple-based liqueurs and Chic Choc® spiced rum and Foreign Affair® wines and Cottage Springs® ready-to-drink beverages. Through its affiliation with Pernod Ricard S.A., a global leader in the spirits and wine industry, Corby also represents leading international brands such as ABSOLUT® vodka, Chivas Regal®, The Glenlivet® and Ballantine's® Scotch whiskies, Jameson® Irish whiskey, Beefeater® gin, Malibu® rum, Kahlúa® liqueur, Mumm® champagne, and Jacob's Creek®, Wyndham Estate®, Stoneleigh®, Campo Viejo®, and Kenwood® wines. Corby is a publicly traded company based in Toronto, Ontario, and is listed on the Toronto Stock Exchange under the trading symbols CSW.A and CSW.B. For further information, please visit our [website](#) or follow us on [LinkedIn](#).

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CNW 14:17e 23-AUG-23

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