

# ASX Announcement

## Endeavour Group's Investor Days

### Sydney: Friday, 27 May 2022

Attached for release to the market are the presentations that will be given today on the second day of Endeavour Group's Investor Days being held on 26-27 May 2022.

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The release of this announcement was authorised by the Disclosure Committee.

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Hello Gorgeous, Newstead, QLD



# Investor Days

26 - 27 May 2022  
Day Two





# Acknowledgement of Country



# Sustainability

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Steve Donohue  
Chief Executive Officer

Dan Holland  
Director, Corporate  
Affairs and Sustainability

OUR PURPOSE

Creating a  
more sociable  
future  
together

OUR VALUES

We're real  
We're inclusive  
We're responsible

OUR WAYS OF WORKING

We work with spirit  
We're team players  
We endeavour for better

OUR SUSTAINABILITY AMBITION

A positive imprint,  
made together

# We've made good progress since the demerger

AUGUST 2021

- Outlined broad sustainability agenda in Endeavour Group's first standalone Annual Report

OCTOBER 2021

- Launched our Sustainability Strategy including:
- 11 goals and 34 commitments aligned with the UN's Sustainable Development Goals
  - Robust governance and reporting
  - Aligned long-term management incentives

TO COME IN 2022

- Release our first report against our Sustainability Strategy, our Reconciliation Action Plan and Modern Slavery Statement

F23+

- Continue to strengthen our TCFD disclosures

# Our sustainability principles

## SUSTAINABILITY PRINCIPLE 1

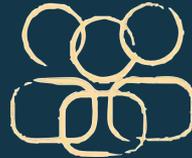
### Responsibility and Community



Advocating responsible choices and supporting positive change in our communities

## SUSTAINABILITY PRINCIPLE 2

### People



Championing individuality, human and personal rights

## SUSTAINABILITY PRINCIPLE 3

### Planet



Reducing our impact on the planet

# Responsibility and Community



Advocating responsible choices and supporting positive change in our communities

## Goals

- 1 Demonstrate leadership in the responsible service of alcohol and gambling
- 2 Enable customers to make informed decisions about our products and services to encourage responsible consumption
- 3 Partner with experts to identify potential strategies to address alcohol and gambling related harm in the community
- 4 Collaborate to pursue leading standards for our industries
- 5 Generate a measurable, positive impact in the communities we serve



# Responsibility and Community



## Our Responsibility & Community commitments

We have 14 Responsibility & Community commitments including:

**100%**

Train 100% of team members in the principles of responsible service of alcohol and gambling

**100%**

Achieve 100% compliance with industry codes

**5m**

Reach 5 million people with education campaigns on responsible consumption and harm minimisation

**20%**

Link 20% of Long Term Incentive Plan for senior leaders to 'Leading in Responsibility'



# Responsibility and Community



## Responsible gambling: major initiatives

### Demonstrate leadership

- With our Responsible Gaming Charter and independent audits
- Engaged Responsible Gambling Council of Canada to independently audit our operations against world's best practice biennially

### Institute best practices in our venues

- Implement nationally consistent standards
- Advanced training in responsible gambling for managers and gambling hosts, focusing on customer care

### Use technology to build trust and set new standards

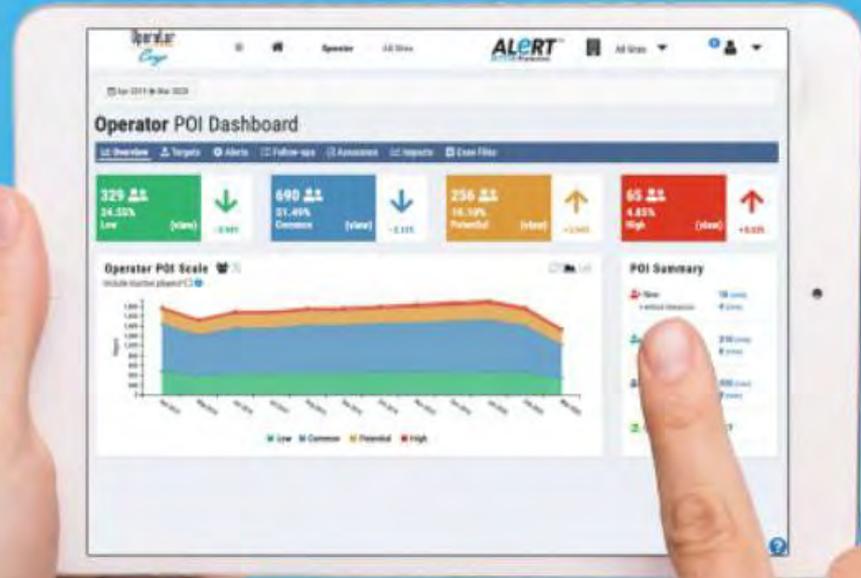
- Installed voluntary pre-commitment on every gaming machine on mainland Australia
- Implemented Facial Recognition SA trial for self-exclusion; and algorithms to identify customers who might have at-risk playing patterns



# Case study

## ALeRT BETTOR Protection System

- Partnered with Focal Research, a global leader in the area of gambling and advanced analytics, to progressively roll-out ALeRT BETTOR system to ALH venues
- This will be the first Australian rollout of this market-leading technology
- System uses predictive algorithms to reliably identify customers who may have a problem with gambling
- Provides our team members with an opportunity to steer these customers towards harm minimisation programs
- Plan to roll-out this system progressively from July 2022



# Case study

## Anti Money Laundering (AML)

We are required to keep specific details of how our AML/Counter Terrorism Financing Program operates confidential, however, it's independently reviewed biennially and regularly updated

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### Smaller gaming rooms

- Fewer machines per venue than other types of operations, with higher staff to patron ratios. This enables more manager/team member oversight and increased customer observance
- 

### EGMs are different to other types of gambling

- Our major form of gambling is EGMs. Machines have cash load limits (varying by state) and limits on maximum cash payouts vs mandatory cheques
- 

### Policy and practice creating leadership culture

- ALH's extensive training programs for managers and team members for ongoing skills development to support safe and responsible environments

# Responsibility and Community

## Responsible Service of Alcohol: major initiatives

**Go beyond regulatory obligations** by asking for ID if a shopper looks under 25 and aiming to stop secondary supply through our “Don’t Buy it For Them” policy and campaign

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**Collaborate with industry associations and like-minded organisations** by supporting national responsible drinking campaigns and partnering with DrinkWise on research into low and non-alcoholic options

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**Promote low and no alcohol alternatives** through our ever expanding range of non-alcoholic beverages and trialling new store concepts, such as non-alcoholic pop-up bars



# Responsibility and Community

## Community major initiatives

### Generate a measurable, positive impact in the communities we serve

- Together with customers, donated \$3.1m in F21 to national and local charities such as GIVIT and Very Special Kids
- Continuously engage with communities through our ESG review process, aided by building a Community Advisory Committee in Darwin
- Partnered with 1800RESPECT to develop Domestic Violence Awareness Training, which we're rolling out to all 28,000+ Endeavour team members



Community Advisory Committee, Darwin, NT

# People



Championing individuality, human and personal rights

## Goals

- 1 Create a safe, inclusive workplace where our teams are trained and empowered
- 2 Respect and promote human rights and ethics in our operations and supply chain
- 3 Respect our customers' privacy and acknowledge the importance of robust privacy principles and practices



# People

## Our People commitments

We have 10 People commitments for example:

### 40:40:20

Achieve Board and senior leadership diversity balance of 40:40:20 and build a strong pipeline of diverse leaders for the future

### Bronze Tier status

By 2025, achieve Bronze Tier employer status and by 2030 achieve Gold Tier employer status, in the Australian Workplace Equality Index (AWEI) for LGBTQ Inclusion Awards

### Information Security

Respect our customers' privacy and acknowledge the importance of robust privacy principles and practices

### Responsible Sourcing

Manage an effective Endeavour Group Responsible Sourcing Program so our products and services are ethically produced and sourced, and our supply chains are managing for risks in modern slavery, forced labour and child exploitation



# Planet

Reducing our impact on the planet

## Goals

- 1 Demonstrate our commitment to addressing climate change and reducing our carbon footprint
- 2 Adopt and maintain sustainable practices in our use of natural resources
- 3 Enhance the circularity of our products and our industry

# Planet

## Our Planet commitments

We have 10 Planet commitments including:

100%

By 2030, source 100% renewable electricity to power our business

Zero

By 2050, have net zero emissions

Natural Resources

Adopt and maintain sustainable practices in our use of natural resources

100%

By 2025, 100% of all Pinnacle Drinks own brand packaging is reusable, recyclable or compostable

# In summary

- Sustainability is central to our purpose, values and ways of working and forms the basis for our social license to operate
- Our Sustainability Strategy outlines how we'll create a positive imprint in three key areas: Responsibility and Community; People; and Planet
- We're focused on maintaining and extending our industry leading position on responsible gambling and service of alcohol
- We'll release our first report against our Sustainability Strategy this year





# Q&A Sustainability

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endeavour **X**

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**Claire Smith**  
Director,  
endeavourX

# endeavourX at a glance: we manage the Group's digital platform

## Websites & apps

The front door to our brands  
for all customers



## Membership programs

Understanding and creating  
value for our most engaged  
customers



## eCommerce

Providing easier ways to shop  
as our customers' lives evolve



## Group capabilities

Providing digital capabilities to  
accelerate our broader business

customer  
pulse  
powering customer experience

FLIP

DAN'S MARKETPLACE

fbe

endeavour  
group  
Retail Media

# endeavourX at a glance

## Our assets

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**129m**

Total online web traffic

**~1m**

Monthly active app users across Group

**~4.4m**

Active retail loyalty members

## Our capabilities

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**~350**

Team

**7.5m**

Average number of personalised conversations initiated per week (Q3 22)

**35%**

Dan's and BWS on-demand orders fulfilled via Jimmy Brings' FLIP

## Drive omnichannel growth

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**\$859m**

Online sales up 35%

**90%**

Growth in on-demand delivery

**40%**

Retail sales are digitally influenced

Note: All figures are for F21 and growth is F21 vs F20, unless otherwise stated; F20 refers to the Equivalent F20 result. A description of Equivalent results is included in the F21 Annual Report.

# Scale of our digital platform drives leading CX across our brands



## Deep understanding of customers and journeys

We're focused on improving the experiences of key customer personas across their omnichannel journeys



## Industry-leading personalised recommendations

We've developed a unique, sophisticated personalisation capability to deliver highly relevant recommendations



## A growing, profitable eCommerce business

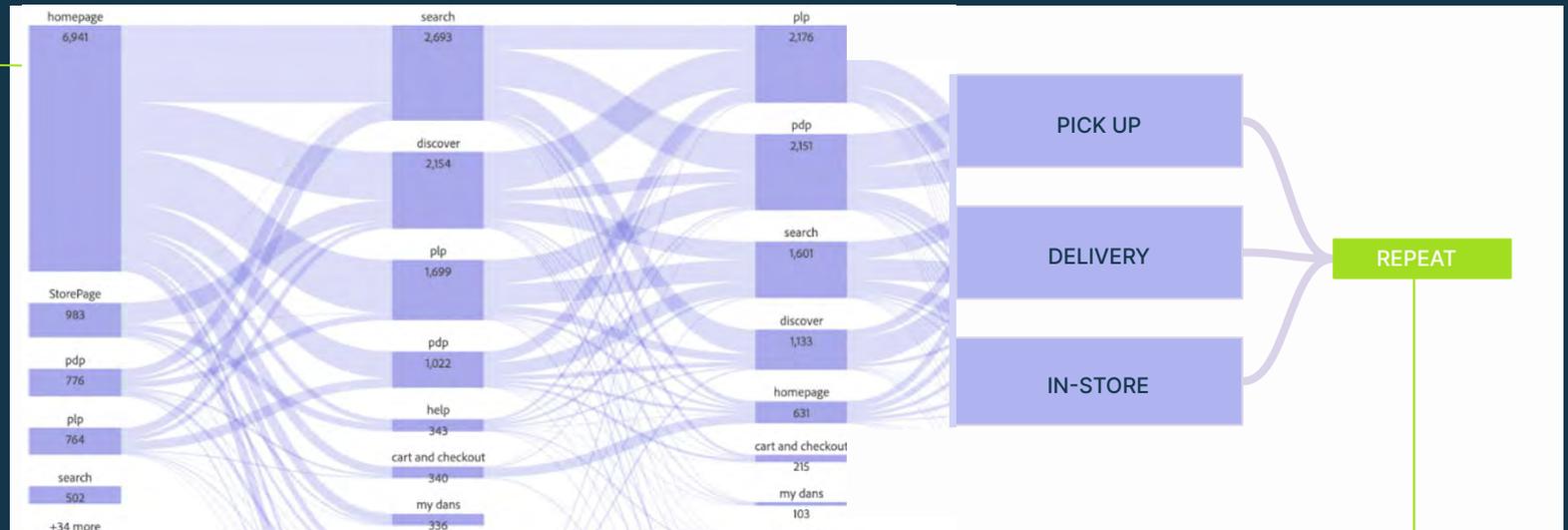
Our eCommerce business is profitable due to our network and fulfillment capabilities, scale and healthy baskets



## Our digital talent and agile ways of working

Our investments in digital talent and agile ways of working create value at scale across the Group

# Deep understanding of customers and their journeys



Note: Premium Explorers journey chart is indicative only.

# Currently working on ~65 initiatives across customer journey

ENTICE

BROWSE

BUY

FULFILL

LOYALTY

~20 initiatives

BWS Cooler 3.0 with  
in-store and online  
redemption



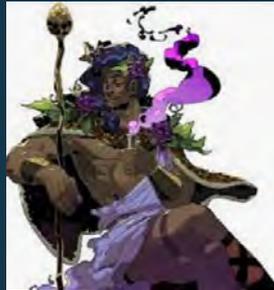
~10 initiatives

Dan Murphy's  
in-app  
personalisation



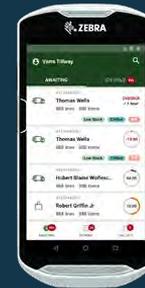
~15 initiatives

Proof of Concept  
personalised basket  
building machine  
learning model



~10 initiatives

New team app for  
pick up and express  
delivery pick up



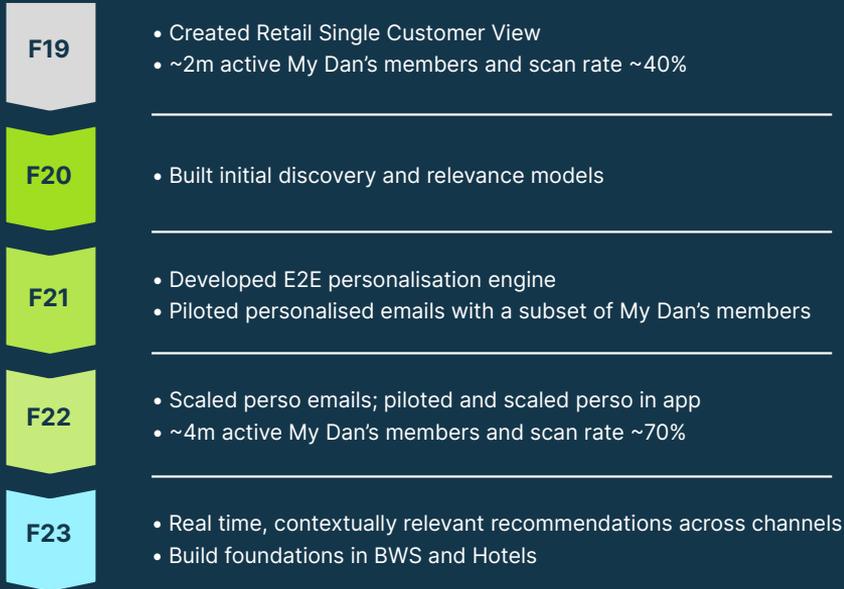
~10 initiatives

Hotels app and  
digital strategy



# Industry-leading personalised recommendations

## Developed deep personalisation capability over time



## Personalisation engine integrates 4 core capabilities

- 1 Action incubator**  
Cross functional team develop modular content at scale (copy, messaging, imagery)
- 2 AI/ML Models**  
Bespoke ML models automatically score product recommendations and actions for each customer
- 3 Channel Execution**  
Deliver selected 121 recommendation and action to customers at the right time
- 4 Test, measure & learn**  
Robust measurement and continuous experimentation and learning within the engine and the team

# Our unique personalisation capabilities deliver recommendations based on customer patterns

## Three key components to our automated Machine Learning (ML) system

1

### Hyperion ML Framework Recommendations based on previous purchase

- Hyperspeed ML training and optimisation enables us to **deliver better recommendations, faster**
- Processes 3m rows in less than 15 mins, enabling 121 daily predictions

2

### Cerberus Ensemble Model Recommendations based on palate

- Relevance and similarity score maps complex relationship between customers and products in single metric
- Enables us to **create palate journeys for customers to discover products**

3

### Dionysus Neural Network Recommendations based on context

- Natural Language Processing predicts behaviour based on products people typically add to their baskets
- Enables us to **recommend product combinations to grow basket sizes and value**

# Blending our art with science makes our recommendations resonate with customers



## Oenophile's pick...

### Existing product dimensions don't fully explain product clusters

- Price range: wide range from \$15 to \$999, mostly above \$40
- Varietals: mixed
- Region and state: mixed
- Total sales volume: \$83m per year

On closer inspection, product clusters include bottles that are appreciated by wine experts due to their "cellarability"



# Growing and profitable eCommerce business

Steadily built fulfillment capabilities and were well positioned to meet customer needs during COVID-19

Our eCommerce business is profitable due to our network, scale and focus on healthy baskets

2012

- Dan's offers a national pick-up network enabling every store

2017

- BWS launched 1 hour delivery
- Acquired Jimmy Brings 30 minute delivery

2020

- FLIP platform starts fulfilling our retail orders
- Launch contactless pick-up in Dan Murphy's and BWS

2021

- MurphyBOT automates customer query response
- BWS partners with Uber Eats

2022+

- Continue optimising fulfillment model and network, and adding new capabilities



## Store network and fulfillment capabilities

- 42% online orders are picked-up in-store
- FLIP fulfills >35% of Dan's and BWS express orders
- MurphyBOT answers 70k "where's my order?" queries



## Healthy baskets

- Program of 20+ initiatives over 2 years
- Address unhealthy baskets driving low margin and poor customer experience
- Use on-site tools, personalisation and promotions to improve basket size and margin
- Developing new offerings that meet customer needs



## Scale

- \$1B annualised retail online sales leveraging investment and capabilities across our brand portfolio

# Enabled by our digital talent and agile ways of working



Committed to agile and product-led ways of working and ongoing evolution



Organised in **four outcome focused tribes**, deeply connected to our businesses and supported by our practices and chapters



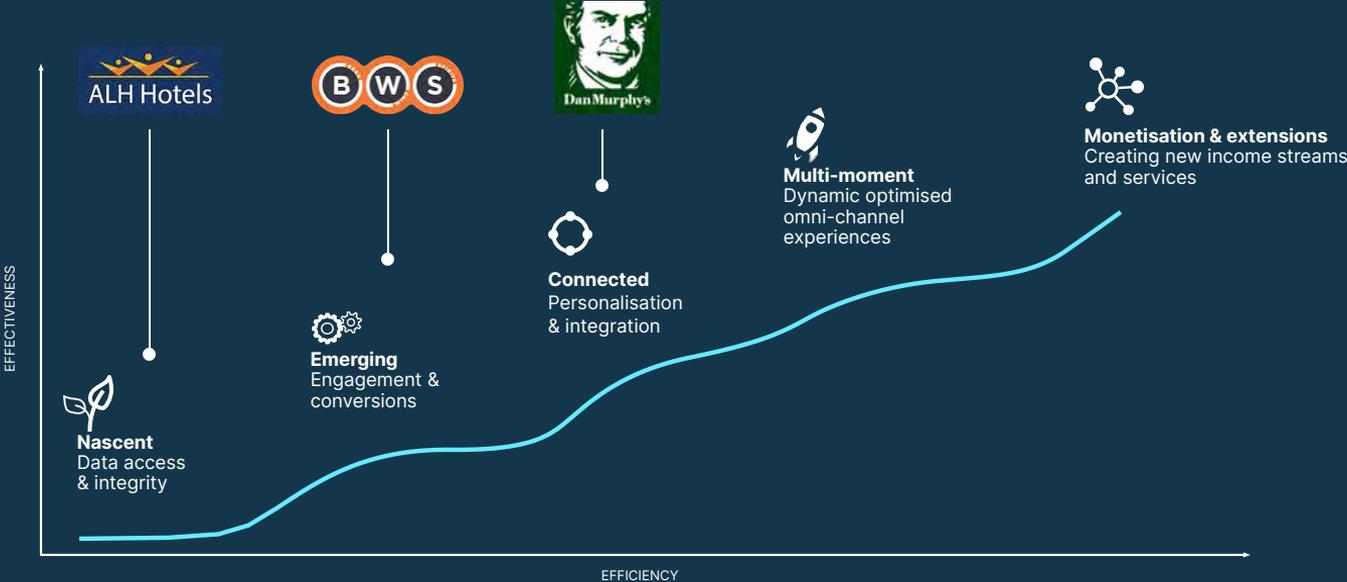
Fostered a **culture** that genuinely supports flexibility and balance, listens and empowers our team to make an outsized impact



Invested **\$35m** in H1 F22 to **extend our digital capabilities**



# Looking ahead, we will drive growth by uplifting BWS and ALH and continuing to mature Dan Murphy's



Source: BCG/Google study on digital marketing maturity (2019); subsequently broadened to digital maturity (e.g., Seer, 2020).

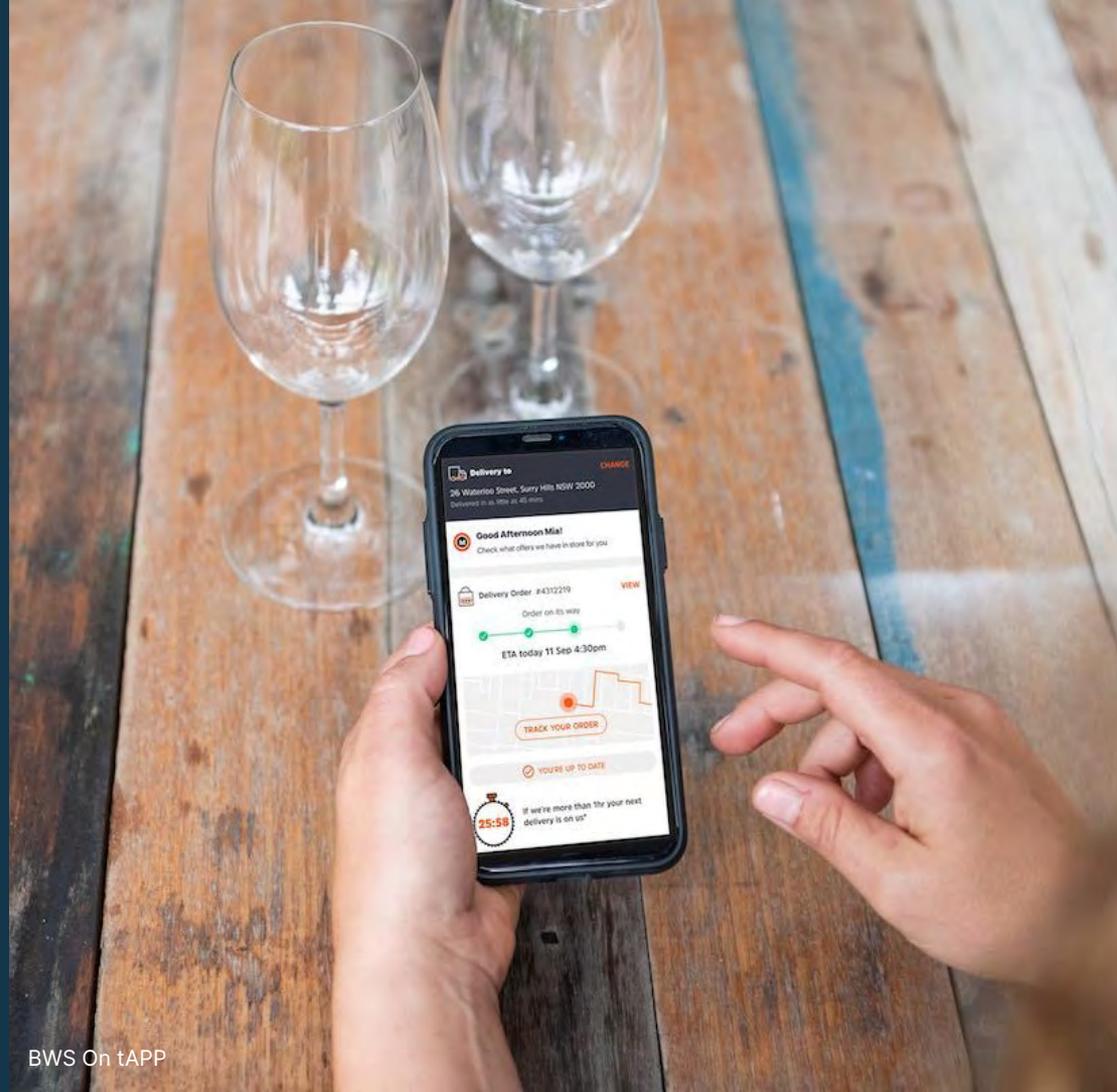
# In summary

- Our digital platforms enable leading customer experiences and omni-channel growth
- We create scale by leveraging investment and capability across our portfolio of brands
- Looking ahead, we see opportunities to drive growth by uplifting BWS and ALH's digital experience while continuing to mature Dan Murphy's



# Q&A

endeavour **X**





Krondorf Cellar Door, Barossa Valley, SA

# Pinnacle Drinks

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**Paul Walton**

Director, Pinnacle Drinks

# Pinnacle at a glance

Our customer reach

## Top 4

Branded liquor supplier in total Australian retail by sales (#1 in wine)

## 69%

Endeavour customer penetration, up from 56% in F19

Our growth

## +50%

Growth in Pinnacle sales since F19

## 3x

Sales growth vs. Endeavour liquor retail since F19

Our premium customers and margin

## 116%

Over-index with premium customers vs. total Endeavour

## +35%

Margin accretion vs. non- Pinnacle over last two years

# Pinnacle History

Pinnacle Drinks is a customer focused brand builder which has evolved through a series of targeted investments, initiatives and partnerships

- 1859** ● Inaugural brand **Stonyfell** releases first wines
- 2004** ● **Woolworths Liquor Brands** established
- 2011** ● Acquired **Cellarmasters** business
- 2014** ● Commenced **Endeavour Export**
- 2018** ● Launched **Insights Led Innovation** platform
- 2019** ● Acquired **Chapel Hill** winery  
Launched **Paragon Wine Estates**
- 2021** ● **Qantas, Oatley FW** and **Total Wine** distribution  
Acquired **Oakridge**
- 2022** ● Acquired **Josef Chromy** winery and **relaunched Pinnacle brand** and purpose

# Pinnacle Journey

Pinnacle's focus on crafting quality sees the portfolio growing fastest in premium brands

 **528** Awards received in F21, including 10 best in class trophies

 The Ethereal One Fleurieu Grenache first Australian wine to win Best Grenache Trophy, International Wine Challenge (2022)

 Oakridge 864 awarded Top Chardonnay by Halliday (2022)

 Krondorf Founders View wins Halliday Grenache Challenge and Grenache Trophy at National Wine Show (2021/2022)

 Pinnacle wins Best Portfolio in San Francisco International Wine Competition (2020)

 Cat Amongst The Pigeons Fat Cat Shiraz awarded Barossa Wine of Show (2020)

 3x winner of Jimmy Watson Trophy, the most prestigious Australian wine award

## Distribution of Pinnacle wine sales and growth over 3 years





**‘Together,  
we craft brands  
people love’**

# Pinnacle operates end-to-end across Endeavour's value chain



## Raw Materials

Owned strategic super premium vineyards

AU/NZ premium grape sourcing

Global commercial bulk wine sourcing

## Production Assets & Supplier Partnerships

Premium commercial winery and 3 estate wineries

Scale contract bottling capability over 3 sites

Packaging materials supply business

Owned brand (50+) and exclusive brand (250+) supplier partnerships

## Insights, NPD & Brand Building

Customer insights and category planning

New product development and commercialisation (500+ F21)

Consumer brand building (700+ brands)

## Distribution Channels

Endeavour core retail (Dan Murphy's and BWS)

ALH hotels

Endeavour specialty brands (Jimmy Brings, Langtons, subscription)

Owned hospitality and cellar door direct

Export and wholesale

# Pinnacle creates value for Endeavour Group in five key ways



## Lead in Trends and Innovation

Delight customers with quality brands and products that lead trends by leveraging our insights and capabilities

## Invigorate Categories and Enhance Margin

Simplify the value chain, invigorate categories, while providing customers greater choice

## Unlock Growth Opportunities

Activate growth in new channels and geographies, while building our portfolio via targeted M&A opportunities

## Differentiation and Team Advocacy

Energise store and venue teams around our brands, to delight customers, including bold in-store activations

## Lead in Sustainability

Leverage viticulture, manufacturing and brand capabilities to lead in sustainability across our industry



Lead in Trends  
and Innovation

# Rainbird Seltzer

Delight customers with quality brands and products that lead trends by leveraging our insights and capabilities



**Leveraged Endeavour and global insights** to develop and launch brand at rapid speed



**One of the first brands launched** in the emerging seltzer category in September 2020



**Rainbird is now a top 3 seltzer brand at Endeavour** and the premium seltzer leader

# Invigorate Categories and Enhance Margin



# PARAGON

WINE ESTATES

OAKRIDGE  
YARRA VALLEY



ISABEL  
ESTATE  
MARLBOROUGH



Simplify the value chain, invigorate categories, while providing customers greater choice



Endeavour was underpenetrated in premium wine, presenting customer growth and margin opportunity



Established Paragon in 2019 to house Endeavour's premium wine brands from leading regions - each brings history and pedigree, an authentic sense of place, and excellence in winemaking



Endeavour's Paragon brand portfolio revenue **growing at 33% CAGR** since F18<sup>1</sup>

F18 refers to the Equivalent F18 result. A description of Equivalent results is included in the F21 Annual Report

# Unlock Growth Opportunities New Channels



Activate growth in new channels and geographies, while building our portfolio via targeted M&A opportunities

Establishing foundations to grow in:



Hotels

**JIMMY BRINGS**

On Demand



Subscriptions



Restaurants & Travel



Branded Export

Delivering 67%\* growth F22 YTD

\*Excluding ALH Hotels



Differentiation and  
Team Advocacy

# Loud & Proud

Loud & Proud product range

Energise store and venue teams around our brands, to delight customers, including bold in-store activations



**Endeavour Proud Committee identified an opportunity** to support the LGBTQIA+ community <8 weeks before Mardi Gras



**Developed 'Loud & Proud' products** ranged in every BWS and Dan's store, with 100% of profits (+\$300k) raised for the Pride Foundation Australia since launch



**Store teams supported with bold store displays** to signify national support for the LGBTQIA+ community

**Lead in Sustainability**

# Chapel Hill



Rachel Steer, Viticulturist, Chapel Hill

Leverage viticulture, manufacturing and brand capabilities to lead in sustainability across our industry



**Chapel Hill team and passionate viticulturist Rachel Steer** identified opportunities to implement more sustainable practices



**Installed major solar systems** and wastewater treatment improvements for reuse, and secured Sustainable Winegrowing Australia accreditation for vineyard and winery



**We have a sustainable model we can implement** through other Endeavour vineyards, and customers can enjoy sustainably certified vegan wine



# Pinnacle Drinks in summary

Pinnacle Drinks is a customer focused brand builder which has evolved through a series of targeted investments, initiatives and partnerships

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Five key ways we enable Endeavour:

- Lead in Trends and Innovation
- Invigorate Categories and Enhance Margin
- Unlock Growth Opportunities
- Differentiation and Team Advocacy
- Lead in Sustainability

# Q&A





Coopers Ale House, Gepps Cross, SA

# Conclusion

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Steve Donohue  
Chief Executive Officer

# In summary

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## In our first year we:

Delivered one of the largest demergers in Australian history

United our team around a common purpose, values, ways of working and vision

Navigated material disruption from COVID-19

Achieved strong F21 and H1 F22 financial results

Established our foundations for future growth

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## Looking ahead, we're focused on:

Navigating headwinds

Continuing to build out the foundations for our future growth

Leveraging our core business to seed innovation

Investing in our talent and delivering a positive imprint in the communities we serve

Continuing to deliver strong shareholder returns

# Thank you



Dan Murphy's, Gawler, SA

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