Savor Limited – 2026 Annual Shareholders' Meeting

Chairman's Address

The 2026 financial year represented an important step forward for Savor. Despite what remained a difficult operating environment, the Group delivered a significant improvement in profitability, margins, cash generation and balance sheet strength.

Revenue for the year was $55.2 million, compared with $56.6 million in the prior year. Against that modest decline in revenue, EBITDA increased by 10.3% to $8 million and our EBITDA margin increased from 12.8% to a record 14.5%.

Most importantly, Savor returned to profitability, delivering net profit after tax of $1.3 million compared with a loss of $1.2 million in the prior year. Cash generated from operations, excluding supplier movements, increased 13% to $7.2 million.

This improvement reflects the considerable work undertaken by Savor's management team to improve the underlying quality of Savor's earnings. Greater discipline around labour, cost of goods, overheads and venue performance has enabled us to generate significantly more earnings from our existing revenue base.

The strength of the result is perhaps best understood in the context of the environment in which it was achieved.

Conditions across the New Zealand hospitality sector remain extremely challenging. Recent industry data shows that 422 hospitality companies entered liquidation during the past 12 months, up from 297 a year earlier. More than 2,900 hospitality businesses ceased trading during the same period, an increase of 38%, with the sector's liquidation rate now 3.3 times that of the average New Zealand business.

Against that backdrop, Savor has not only remained resilient but has continued to improve its financial performance. This is particularly evident in our Current Year Trading.

Through to the end of July, revenue is 5% ahead of the same period last year, while EBITDA is 30% higher. Our venue level EBITDA margin has increased from 11% to 13%.

This performance is especially pleasing given that we are comparing against what was already a record prior year for the Group.

These results demonstrate the benefit of the operating discipline that management has established across the business. Importantly, we are seeing revenue growth translate into earnings growth at a considerably higher rate.

Delivering 30% EBITDA growth in the current economic environment, against a record comparative period, is an excellent result and reflects the focus and discipline that has been embedded throughout the organisation.

Our balance sheet has also continued to strengthen. Borrowings have reduced from $9 million at the end of FY25 to $7.5 million today. Gross leverage, which stood at 2.98 times in July last year, has fallen to 1.66 times at the end of July this year. This represents a substantial change in the financial position of the Group and provides Savor with considerably greater flexibility than we have had in recent years.

The Board remains focused on maintaining an appropriate balance between reducing debt, investing in our existing venues and delivering returns to shareholders.

Looking forward, we remain conscious that economic conditions are challenging and that hospitality continues to be particularly exposed to changes in consumer confidence and discretionary spending. However, the performance of the business through the year to date of this financial year gives us confidence that the improvements we have made are structural rather than temporary.

Savor today has stronger margins, lower debt, better cash generation and a more disciplined operating model. While there remains much work to do, the Board believes the Group is well positioned to continue building on the progress achieved over the past two years.

On behalf of the Board, I would like to thank the entire Savor team for their considerable efforts and commitment during the year. I would also like to thank our shareholders for their continued support.

CEO's Address

Paul has taken you through the numbers, so I won't repeat them. I want to pick up where we left off at our last meeting.

A year ago I talked about a set of initiatives we were backing, at a time when much of our industry was pulling back. Today I want to show you how they're working — Flush, the Savor Food Festival, and what comes next on the waterfront.

Flush opened a year ago — our first venue combining hospitality and entertainment. In its first year, more than five thousand bay bookings. Eight hundred and fifty thousand shots hit, across nearly fifty thousand sessions. Trackman tell us that makes Flush the busiest venue of its kind in the country. And we've built a membership base from a standing start — seventy-five individual members and five corporate.

What's pleased me most is the range of people coming through the door. From serious golfers training before work, hundreds of players in our weekly leagues, beginners who've never held a club, using it as a night out and hundreds of lessons — from beginners to players chipping away at their handicap.

Flush is proving itself as a corporate venue with more than a 110 group bookings this year — about one every three days. And Christmas is already past 30 functions confirmed. At eight in the morning Flush is a training facility. At eight at night it's a bar. Not many venues can be both.

The Savor Food Festival is running as we speak, and we're about halfway through.

Ninety-nine per cent of our named events have sold out. Penfolds with Danielle Alvarez. Craggy Range at Amano with Casey McDonald. The Wet Jacket winemakers dinner. Right through to the Raw and Roast feast at Bivacco. Seventy-seven thousand customers in the first half, with the whole second half still to come. On the floor, that's one thousand seven hundred and seventy-five glasses of champagne, nearly ten thousand glasses of wine, and fifteen thousand beers.

What's particularly pleasing is the support of our partners. Moët & Chandon and Cloudy Bay. Campari and Sarti. Peroni and Asahi. Penfolds. Jameson. Allpress. Combined, they have contributed over one hundred and thirty thousand dollars to this year's Festival. That matters for two reasons. It means the Festival is delivered at very little cost to Savor — it drives revenue, footfall and loyalty without coming out of your bottom line. And it says something about the depth of the relationships we've built. These are some of the best drinks brands in the world, and they back this programme because it works as hard for them as it does for us. Two years ago this was a promotion. Today it's a fixture in Auckland's calendar — and we're only halfway through.

Now to what comes next. We're in advanced negotiations on a new site behind Bivacco.

Bivacco sits on one of the best corners in hospitality in this city. On the water, all-day sun. So when the opportunity came to work with the owners of the Viaduct on the two sites directly behind it, we took it — because in my view this is the best site in New Zealand's premier hospitality precinct.

The first is an extension of the Amano brand — a bakery, deli and gelato counter. Amano is one of the most loved names in Auckland dining, and this takes it into the everyday. Morning coffee, fresh bread, lunch on the go, courtyard seating under the trees. A daytime business that complements Bivacco rather than competing with it.

The second is something new. It isn't Azabu and it isn't Ebisu. A new Japanese venue with harbour views. Evening and late-night trade on the corner.

Here's what that does to the corner. A two-thousand square metre site goes from one venue to three, trading from morning coffee through to late night. Bivacco today turns over more than eleven million dollars. I expect these two to add over six million to that, and over time to take that corner to something in the order of seventeen to twenty million dollars of revenue for Savor. Build starts shortly, the hoardings are going up, and we're targeting opening in spring 2027.

Finally, the promise we made to you last year. Our shareholder rewards programme in May. Discounts at Non Solo Pizza, Bar Ziti, Flush and the Auckland Fish Market, with close to three hundred discounts claimed so far. It rotates each quarter, so there's a fresh offer and a different part of the portfolio every time.

Last year I told you momentum was returning. This year I can tell you the plan is working. The venues we opened are performing. The Festival has become something Auckland looks forward to. And we're growing one of our biggest brands into three venues on the best corner on the waterfront.

None of that happens without our people. Across our venues, our teams have delivered a record year in the toughest conditions this industry has seen. My thanks to every one of them. And to our shareholders, thank you.