

Brenworth

**ANNUAL
GENERAL
MEETING**

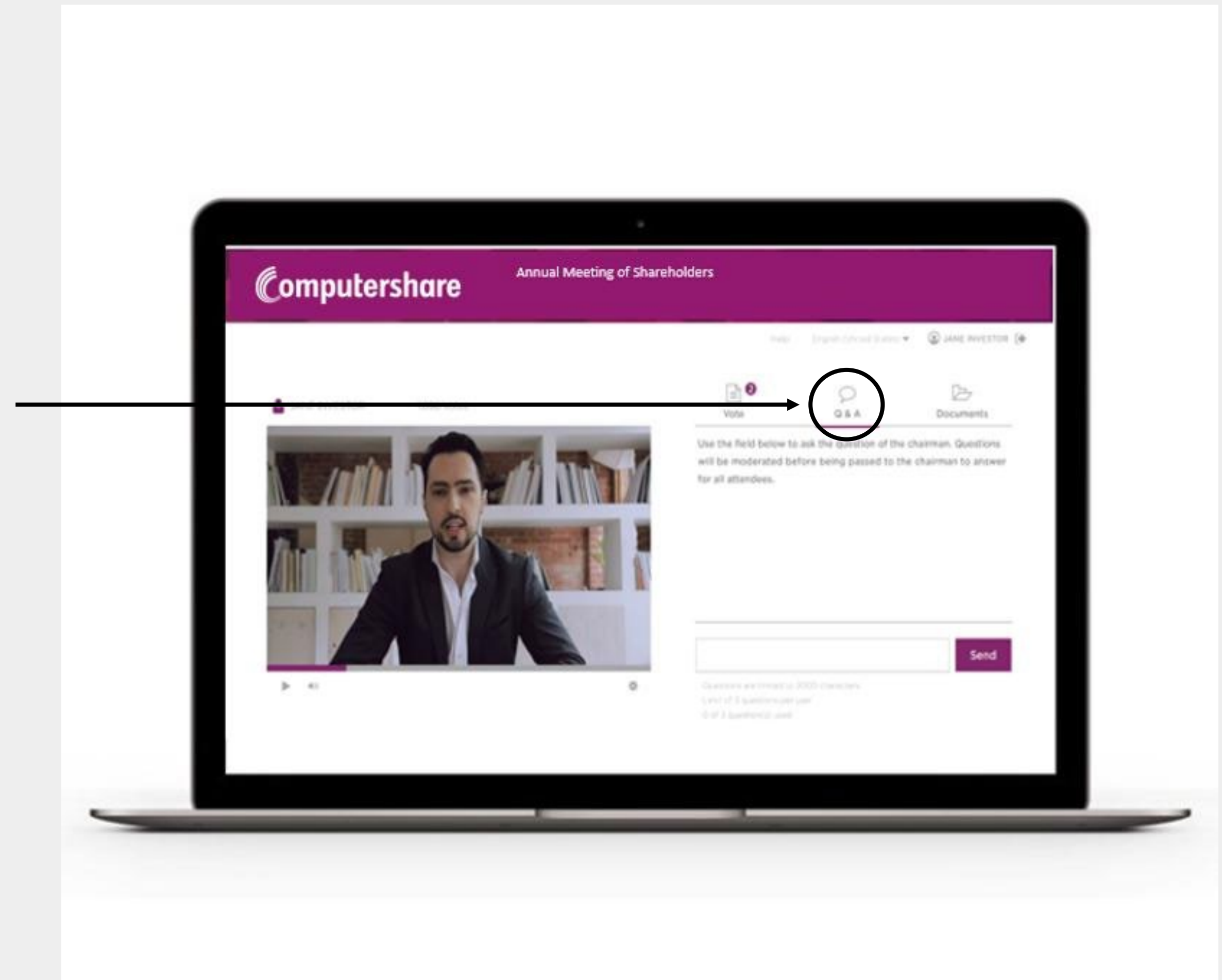
25 NOVEMBER 2021

How to ask questions

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly. Alternatively, you can call Computershare on 0800 650 034.



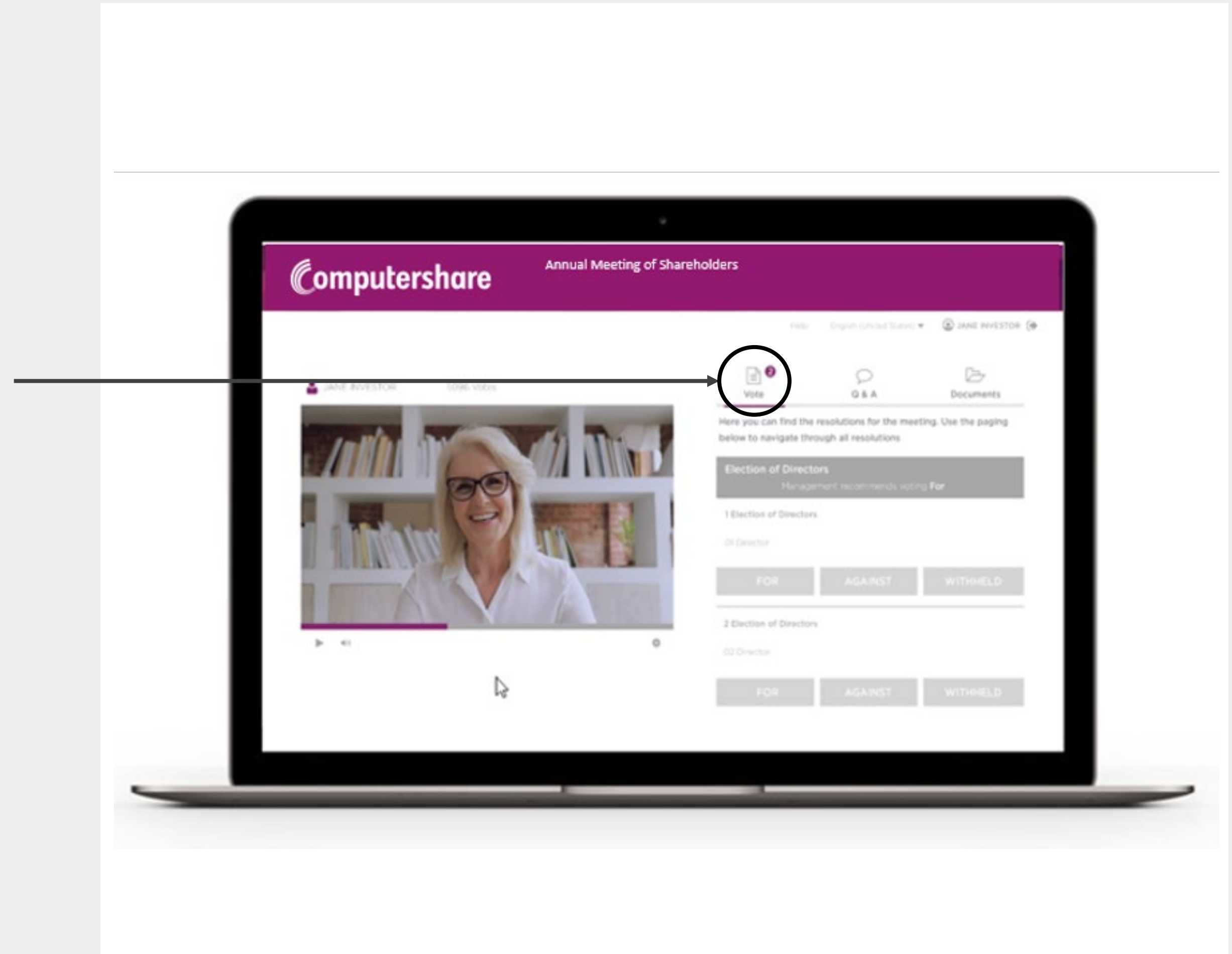
How to vote

Shareholder & Proxy holder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



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BREMWORTH BOARD



George Adams
Chairman



Dianne Williams
Director



John Rae
Director



Paul Izzard
Director



Grant Biel
Director (Retiring)

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**CHAIR'S
PRESENTATION**

GEORGE ADAMS

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**OUR VISION IS TO BECOME A
GLOBAL LEADER IN DESIGNING
AND CREATING DESIRABLE,
SUSTAINABLE, SAFE AND
HIGH PERFORMING
NATURAL INTERIORS**

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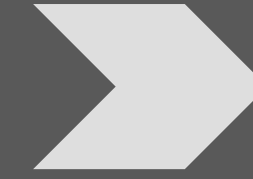
FY19 – FY20



Review

- Strategic review
- Unveiling of new purpose-led strategy
- Commenced sustainability journey

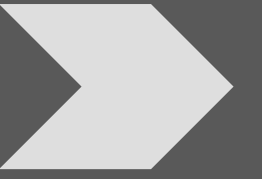
FY20 – FY21



Transformation

- Strong capital base to fund transformation
- Relaunch of Bremworth brand and marketing
- Right-sized organisation
- Set forth on our sustainability journey
- Exited synthetics
- Redefined as a premium design and natural fibre company

FY21 – ONWARDS



Future-Focused

- Appointment of new CEO
- Clear, purpose lead strategy
- Capitalising on consumer and macro trends
- Significant opportunity to grow market share

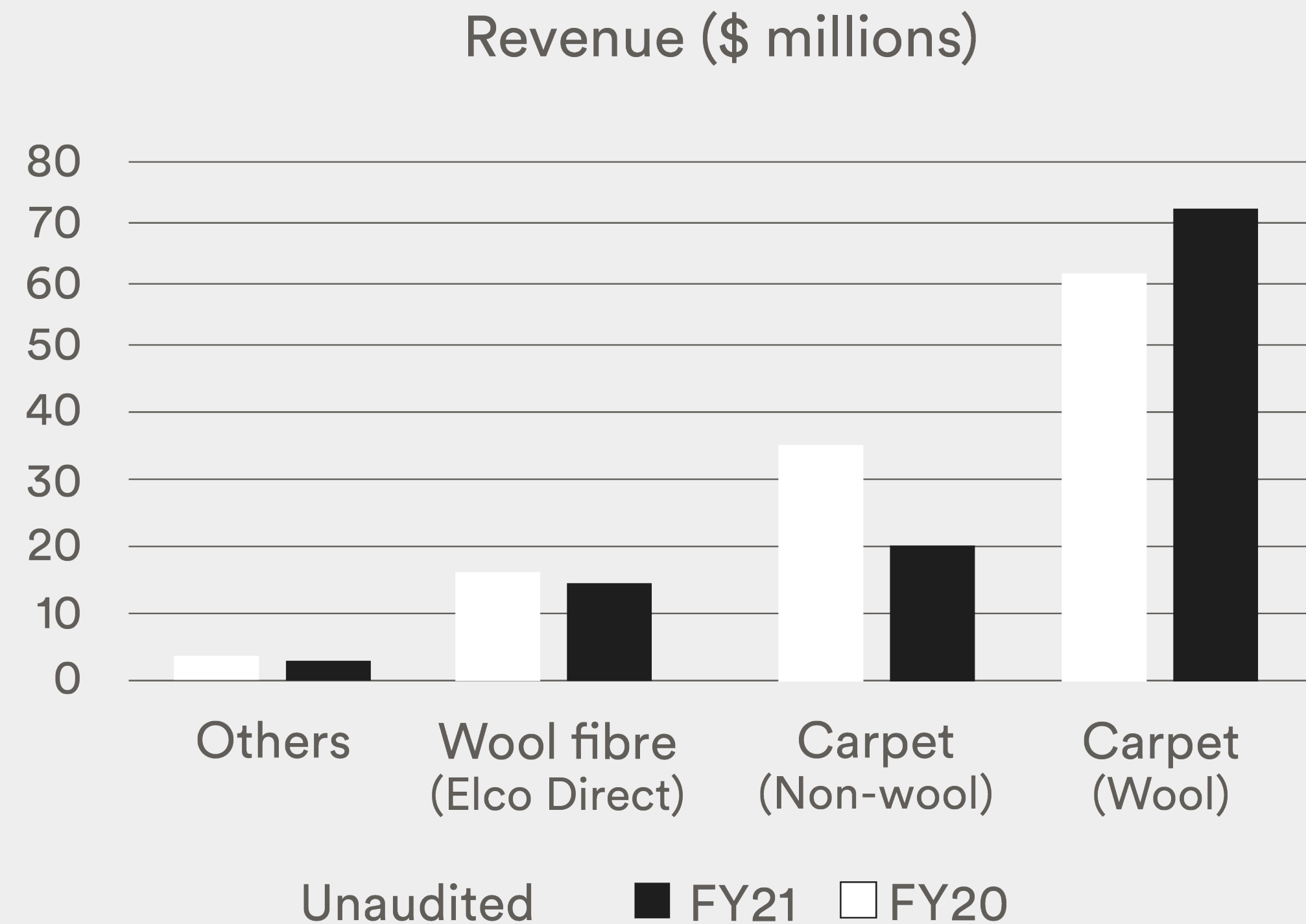
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OUR SUSTAINABILITY GOAL

OUR GOAL IS TO OPERATE AT
THE HIGHEST ENVIRONMENTAL
STANDARDS BASED ON
SCIENCE, WITH EFFICIENCY
ACROSS ENERGY, RESOURCES,
OPERATIONS & SUPPLY CHAIN.

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FY21 Revenue



Total revenue of \$111.6m, down 5% vs FY20:

- Due to the conscious decision to exit synthetic carpet market
- Offset by **17% increase in wool carpet sales** with strong growth in the second half of the year
- Improved sales mix underpinned by strong consumer demand for high quality wool carpets

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FY21 Financial Snapshot

\$ millions	FY21	FY20
Revenue	111.6	118.0
EBITDA	4.7	(8.9)
Non-trading adjustments*	(1.3)	11.2
Normalised EBITDA	3.4	2.3
Net Profit/(Loss) After Tax	1.7	(21.5)
Normalised NPAT/(NLAT)	0.4	(3.5)
Net Debt/Cash	22.5	(14.5)

*FY21 non-trading adjustments of \$1.3m comprise net gain on sale and leaseback of property of \$2.6m and restructuring costs of \$(1.3)m. FY20 non-trading adjustments were \$(11.2)m of transformation costs.

See appendix slide for definitions of non-GAAP measures.

- Improved earnings and return to profit
- All debt repaid and \$22.5m in cash at year end
- Strong cash flow
- Robust balance sheet to execute transformation strategy
- Prudent capital management - no dividend declared

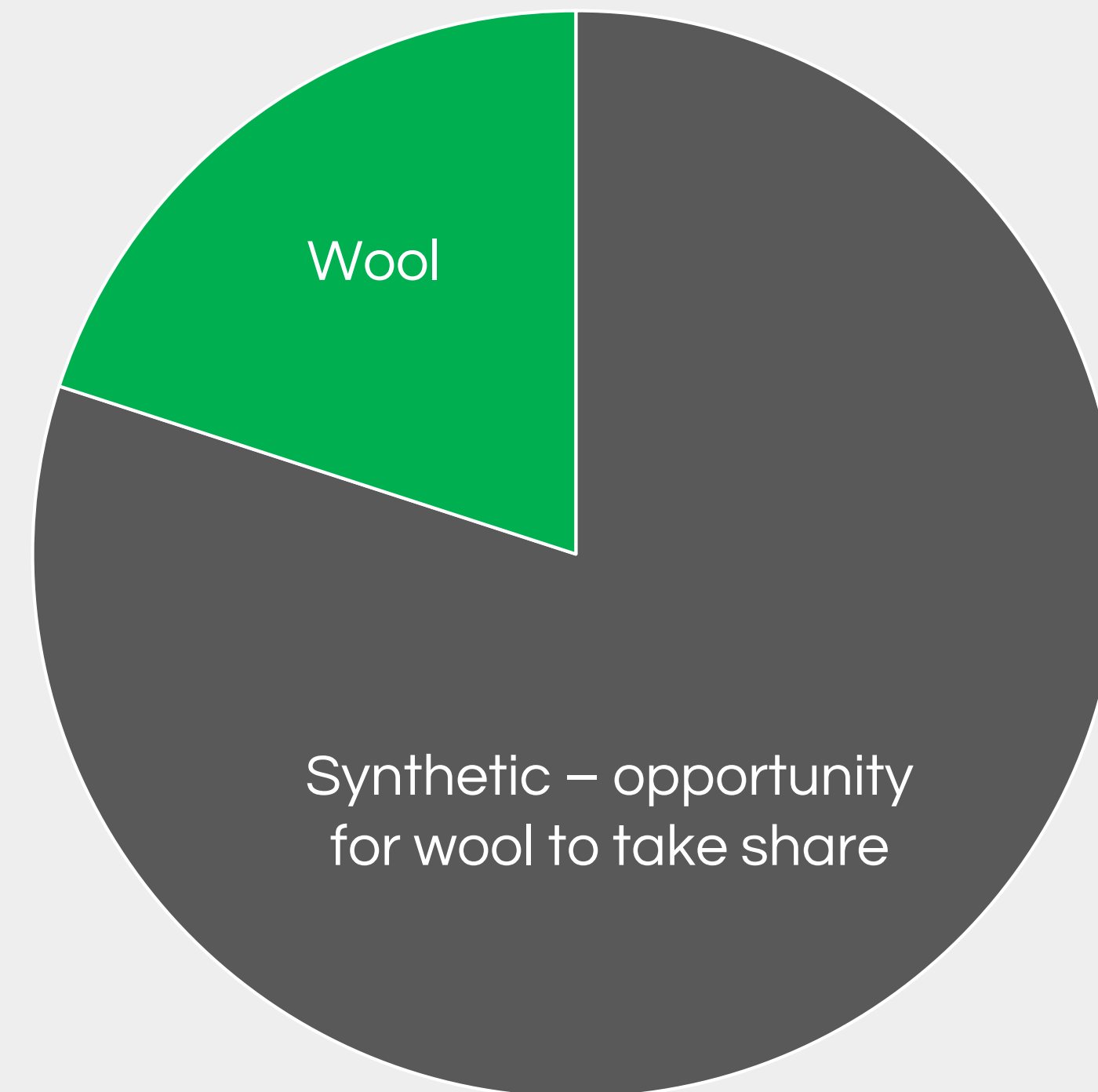
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**THE OPPORTUNITY
FOR BREMWORTH**

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**AT BREMWORTH,
WE HAVE AN ENORMOUS
OPPORTUNITY TO REBUILD
WOOL'S SHARE OF THE
FLOORING MARKET AND
GROW OUR BUSINESS**

NZ market share estimate by fibre



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OUR GROWTH STRATEGY

GROW THE WOOL FLOORING MARKET.

GROW OUR SHARE OF THE MARKET.

EXPAND OUR PRESENCE.

DESIGN-LED INNOVATION.

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A strong foundation for the future

- Trusted iconic brand know for premium products
- New brand strategy aligned to changing consumer landscape and trends
- Industry leading people, quality and design
- Significant cash resources in place for execution of strategy
- New leadership under Greg Smith as CEO
- Moving ahead with our sustainability journey

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**CEO
PRESENTATION**

GREG SMITH

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LEADING CHANGE

**" WE ONLY HAVE A FINITE
TIME ON THIS PLANET,
I JOINED BREMWORTH
TO BE PART OF SOME-
THING GOOD "**



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WE'RE ON A MISSION

**TO DELIVER A RANGE OF
HOME EXPERIENCES BUILT
WITH PEOPLE, THE PLANET
AND GROWTH IN MIND.
WE BELIEVE THE CHANGES
WE HAVE MADE WILL PREPARE
US FOR A BETTER TOMORROW.**

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WHAT DEFINES US

**WE BELIEVE THAT BY EMBRACING
NATURE WE CAN MAKE A GENUINE
DIFFERENCE TO THE WELLBEING
OF PEOPLE AND THE PLANET
AND DELIVER THE DESIGN AND
PERFORMANCE ATTRIBUTES
CUSTOMERS CARE ABOUT.**

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**PRIORITIES
FOR FY22**

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PRIORITIES FOR FY22

**1. *CREATE DEMAND
FOR BREMworth
BRANDED PRODUCT***

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RAISING AWARENESS

RAISE AWARENESS OF DIFFERENCES
BETWEEN SYNTHETIC AND WOOL.

FOCUS ON QUALITY AND DESIRABILITY.

HIGH QUALITY WOOL CARPETS AND RUGS,
MADE FROM NZ WOOL RIGHT HERE IN NZ.

SUPPORTED BY ONLINE AND OFFLINE
MARKETING CAMPAIGNS.

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Consumer knowledge & awareness

30%

***DON'T KNOW WHAT
SYNTHETIC CARPET
IS MADE UP OF****

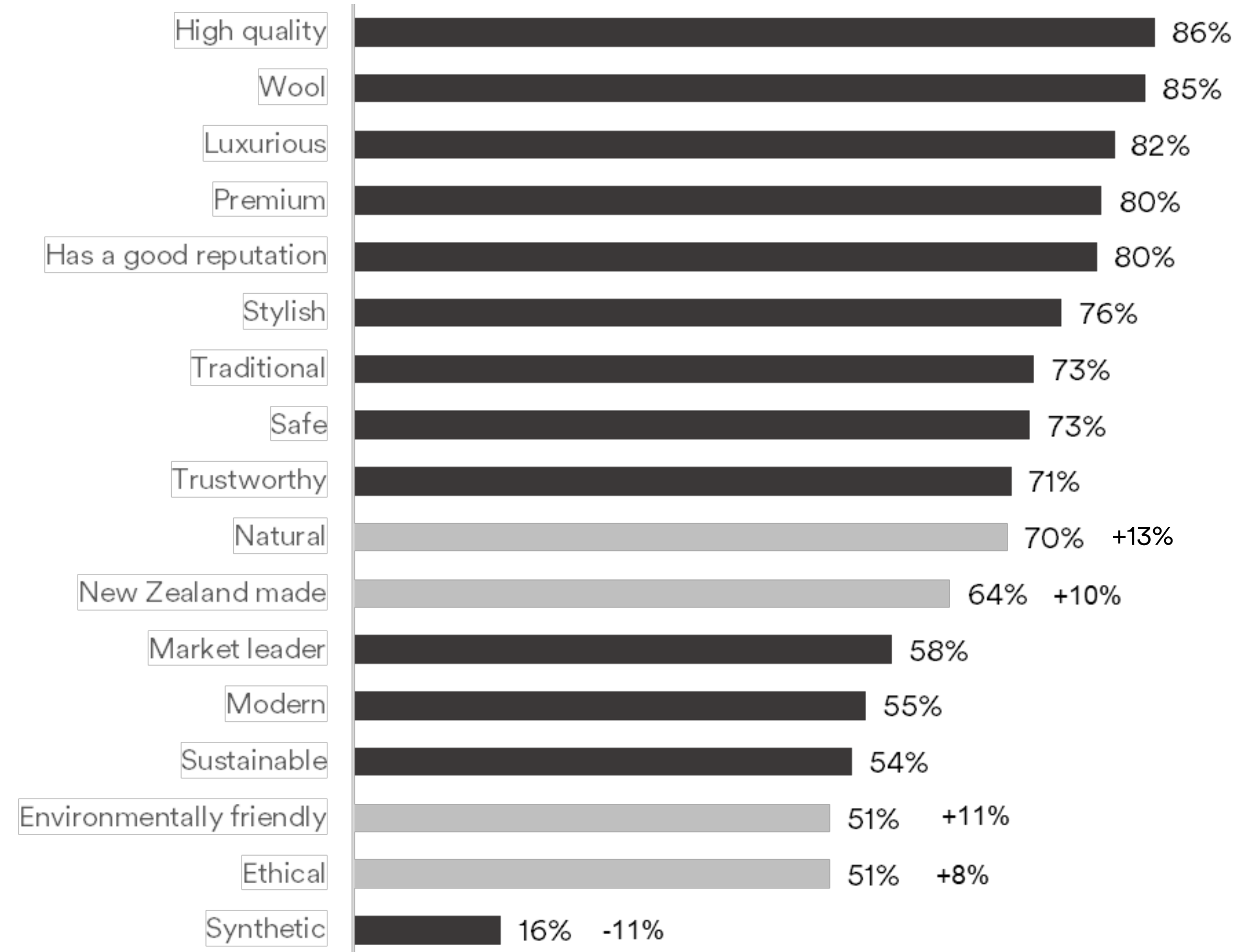
- Approx. 80% of carpets sold in NZ are synthetic
- Our research shows 30%* of consumers do not know what their synthetic carpet is made up of
- We are raising consumer awareness that synthetic carpet fibres are imported plastic
- Bremworth is offering consumers NZ wool, which is a locally grown, high performing, natural, biodegradable and renewable alternative to plastic

*SOURCE: TRA Bremworth brand NZ consumer research November 2021

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Bremworth brand associations

- Positively, we are seeing desired attributes associated with the Bremworth brand increasing
- Pleasingly, our brand association with synthetic has decreased from 27% to 16%*



*SOURCE: TRA Bremworth brand NZ consumer research November 2021

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Key brand metrics

- Bremworth has the highest unprompted brand awareness* in NZ when compared to all competitor carpet manufacturers
- Preference for Bremworth carpet in NZ has increased from 27% in 2020 to 32% in 2021. Bremworth is the preferred brand when compared to key competitors

SOURCE: TRA Bremworth brand NZ consumer research November 2021

*NOTE: Unprompted awareness includes mentions of Bremworth & Cavalier Bremworth

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PRIORITIES FOR FY22

**2. OPERATIONAL
EFFICIENCY &
COMMERCIAL
EXCELLENCE**

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2. Operational efficiency and commercial excellence

- Improve margin and reduce cost
- Excellence in manufacturing
- Production capacity to support our ambitious 3 year growth targets
- Consistency of the consumer experience across online and offline touchpoints
- Distribution network review and update
- People first approach to health and safety and team development
- Investigating new flexible working arrangements to better meet the changing world

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PRIORITIES FOR FY22

**3 . SUPER CHARGE
OUR DIGITAL
STRATEGY**

3. Super charge our digital strategy

- Shifting to a consumer-centric business model
- Amplify direct to consumer rug business
- Leveraging digital marketing insights
- Investment in people
- Potential for international expansion

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PRIORITIES FOR FY22

**4. *PRIORITISE
INNOVATION,
SUSTAINABILITY
& PARTNERSHIPS***

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4. Prioritise innovation, sustainability and partnerships

- Product development focus on sustainability
- Reduce the company's carbon footprint
- Using more natural solutions
- Finding new, innovative ways to manufacture products
- Sourcing wool from NZ farms with NZFAP accreditation
- Product stewardship

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FY22 YTD
PERFORMANCE

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FY22 YTD performance

- Demand continues to grow for our high quality wool carpets and rugs
- Margins are also improving, so strategy is working
- Ongoing COVID-19 restrictions, supply chain and shipping issues have impacted us
- But production now recovered to pre-Level 4 lockdown
- Opportunity in Australia is large with a big focus to capitalise on that for the next year

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OUTLOOK

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Outlook

- Style conscious and educated consumers resulting in more people choosing wool over synthetic
- Expect strong demand across Australasia to continue
- Construction demand and related demand for flooring are continuing to grow
- Focus on improving delivery times significantly

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**STRONGLY
POSITIONED**

TO EXECUTE OUR STRATEGY

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Strongly positioned to execute our strategy

- Significant identified market opportunities
- Clear growth strategy
- Significant funding to execute the strategy
- Passionate and expert people
- Capacity for manufacturing growth
- Investment into R&D, focused on sustainability

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**BUSINESS OF
THE MEETING
SHAREHOLDER DISCUSSION**

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RESOLUTIONS

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Resolutions

Resolution 1 – Re-election of George Adams:

That George Adams, who retires by rotation and is eligible for re-election, be re-elected as a director of the Company.

Resolution 2 – Auditor's remuneration:

That the directors be authorised to fix the fees and expenses of the auditor.

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Proxies and postal votes

	For	Against	Proxy discretion
Re-election of George Adams	14,804,418 (93.02%)	33,790 (0.21%)	1,078,136 (6.77%)
Auditor's remuneration	14,816,938 (93.14%)	18,400 (0.12%)	1,073,667 (6.74%)

The Company has received approximately 16 million proxy and postal votes representing approx. 23% of total shares, with more than 93% of those in favour of each of the two resolutions.

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OTHER BUSINESS

**CLOSE OF
MEETING**



Reconciliation of GAAP to Normalised

Normalised is a non-GAAP (Generally Accepted Accounting Practice) measure that provides what the Directors believe to be a more meaningful view of the underlying financial performance of the Group.

Unaudited (\$000's)	FY21	FY20
GAAP NPAT/(NLAT)	1,729	(21,451)
Reversal of abnormal items (after tax):		
Net gain on sale of property	(2,624)	0
Impairment of plant and equipment	0	5,095
Impairment of right-of-use assets	0	2,094
Transformation/Restructuring costs	1,271	854
Change in legislation regarding tax depreciation on buildings	0	(2,940)
Derecognition of deferred tax asset	0	12,891
Normalised NPAT/(NLAT)	376	(3,456)



Reconciliation of GAAP to Normalised

Normalised is a non-GAAP (Generally Accepted Accounting Practice) measure that provides what the Directors believe to be a more meaningful view of the underlying financial performance of the Group.

Unaudited (\$000's)	FY21	FY20
EBITDA	4,738	(8,872)
Reversal of abnormal items (before tax):		
Net gain on sale of property	(2,624)	0
Impairment of plant and equipment	0	7,077
Impairment of right-of-use assets	0	2,909
Transformation/Restructuring costs	1,271	1,186
Normalised EBITDA	3,385	2,300



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