Naked Wines CMD | London Stock Exchange | March 27, 2025

Rodrigo Maza:

Hello everyone, and welcome to our strategy event. We're very thankful for your time. I'm Rodrigo Maza, Naked's CEO, and I'll be presenting today, along with Dominic Neary, our CFO, Lisa McDowell, our chief growth officer, and Paul Calandrella, our chief commercial officer. We have quite a bit of information to share with all of you today, and good news, there's a big glass of delicious wine waiting for all of you on the other side. Now, before jumping in, there's a few messages that I'd like to share. When I stepped in as CEO a year ago, I made a clear commitment to maximize shareholder value. Since then, I've worked closely with my team to challenge every aspect of our business, to evaluate every available alternative for us, both organic and inorganic. The plan we'll be sharing with you today is the result of that work, and I genuinely believe it's the best path forward for Naked Wines. Before we get into the details, I want to be clear that my commitment hasn't changed. We'll continue to be disciplined in how we invest, transparent in how we report results, and pragmatic in how we generate long-term value. We will continue to test with rigor. When something works, we'll scale it. When it doesn't, we'll stop and return capital to shareholders.

To understand the opportunity ahead, we first need to be honest about where we're coming from. 18 months ago, the business was in a volatile place. Liquidity was tight, confidence was low. We were basically making a lot of short-term decisions just to stay afloat. That changed in FY25. This year, we've stabilized the business, we've secured a solid financial foundation, and we have run deep tests and gained valuable insights that now inform our path moving forward. Today, we are no longer fighting for Naked's survival. We are focused on fulfilling its potential.

The plan we're sharing with you today will deliver over £100 million in cash in the medium-term. It's built on three drivers, two of which we consider bankable, and the last one, which is informed, as I said, in all the outputs from our testing plan in this year. So first, 75 million will come out of our balance sheet. We have 33 million already sitting there today, and we will get another 40 million that is tied in surplus inventory, which we are already actively liquidating. Moving forward, we'll focus on our profitable core members. This new recalibrated Naked is already free cash flow positive, and will generate up to £30 million in cash in the next few years. Now, we won't fulfill Naked's potential if we don't get the company growing again, and because of that, we are changing how we both retain and acquire customers in a way that actually leverages Naked's strengths, things like our value proposition and our community of Angels and winemakers.

This slide is quite important. We do not believe that our current market capitalization reflects the value of this business. So if you start at the bottom of the graph, you'll see that the value of our balance sheet alone almost doubles it. Our current valuation completely ignores the value of a stable, profitable core business, and it places absolutely no faith in our ability to get an already strong retention back to historic levels where it used to be. Now, I understand that I am biased about that last point. Now, I just see so much potential, and I genuinely believe we're in a position to go after it. Now, you don't have to agree with that for Naked to be a compelling investment, and I hope that by the end of this presentation, that will be made abundantly clear.

So before we go into the details of our plan, let me just quickly remind you of what sits at the core of our business. Fundamentally, Naked is about connecting wine drinkers with winemakers. Our model removes the middleman so customers can get better wine at a fair price, and allows winemakers to

focus on what they do best, which is making amazing wines. This direct meaningful connection between both of them builds loyalty, drives a strong sense of community, and gives us a clear edge in the market.

I just talked about how the model works, this is what it actually delivers. This chart is based on Vivino reviews, the world's largest wine marketplace. It shows how Naked consistently over-delivers on quality for price when comparing to traditional retail brands. This is one of the main reasons our customers stay. This is not marketing, this is actual product market fit.

Now, this is our model at scale. Currently, Naked connects close to 600,000 Angels in the UK, the US and Australia, with over 300 of the world's most talented independent winemakers, and also with a high level of quality, as referenced by these KPIs. We think of our footprint as an advantage, especially in the US, where being able to deliver wine legally to over 90% of the population is not easy to replicate. Operating across three countries also protects us from overexposure to any single market or regulatory shift. That diversification means meaningful resilience to our business.

Let me now share our understanding about our market and how we are well-positioned to win within it. The online wine market will continue to grow in the next few years. Within it, there are 27 million premium wine drinkers in the US, the UK and Australia, and most of them have never even heard about Naked Wines. That's a meaningful opportunity, as it shows that there's meaningful room for growth. Some of the trends behind that growth play to Naked's strengths. As the market becomes more interested in quality, provenance and community, our model gives us an advantage. And when it comes to innovation, we can just move faster, because we can partner directly with winemakers to create great products that we know younger generations are actively looking for.

We know that the market we play within is interesting, but how do we turn that potential into actual value? We do so by focusing on the right people. We've moved from trying to acquire anyone to targeting the right type of customer, the one that's likely to become a high-value long-term Angel. We now have a much clearer understanding of who they are and where they are, and as Lisa will explain later today, we are now testing a large volume of messages that will help us convert them at a much higher rate. That clarity is crucial as we reshape acquisition around what actually works, and that's going to boost both our impact and our efficiency.

Now, this is a very important message. When we talk to our ideal customers and ask them what they're looking for when shopping for wine, their responses match perfectly with our value proposition. Convenience, value, selection, these are key drivers, and Naked is structurally designed to deliver on all of them. These aren't just differentiators, these are the reasons why people stay with us, why they spend more with us, and why they tell their friends and families about us. However, this is very important, we haven't been leading with that. We stopped focusing the conversation on the value that we actually deliver, on the things that make Naked Wines different, and our amazing brand has struggled as a consequence. We are already changing that.

Naked Wines in the early days, because we were different, it wasn't just a wine which was great, it was a fresh, innovative online experience, it was the clearly differentiated point of view on a category that's supposed to be exciting and fun, and that direct connection with winemakers, well, turns out that customers genuinely cared about that. Now, somewhere along the way, we started acting like everyone else, focused on offers, focused on discounts and short-term tactics. We lost sight of what makes Naked Wines special, and that experience has lost some of its magic as a consequence. We are now laser-focused on restoring that magic, on reminding people that they can get world-class wine at a very fair price, on delivering on experiences that are actually memorable, on helping them make sense of a category that can be quite dull and confusing without our help, and on reigniting the spark behind that community. Whenever we talk to our long-tenured Angels, they say Naked Wines used to be a movement, it used to be a cause. We need to put a fire behind that cause once again.

We are also getting our flywheel to spin once again, and that starts by obsessing with over-delivering on our Angels' expectations, because they won't actually spread the word about us until we do. When that happens, we'll actually see this business take a massive leap forward. Why? Because more Angels mean more funds, more sales, more cash. Happy Angels means happy winemakers, happy employees, and of course, happy shareholders. Simple, right? It it is simple when you have the right team in place to make that flywheel spin. I've talked a lot about strategy, about focus, about clarity, but the fact is that none of that matters when you don't have the right people in place to execute. Over the past 12 months, we've rebuilt the leadership team at Naked. These are all functional experts with deep expertise in their domains, and very importantly, a shared belief of what this company can be. This is a team that's aligned, a team that's hungry, and a team that's already making great progress together. I'm very proud to be working alongside them. And with that, I'll hand it over to our CFO, Dominic Neary.

Dominic Neary:

Thank you, Maza, and thank you everybody for coming today. So I arrived here in November, and my background is consumer, it's technology, and I've spent some time in the US as well. And in my opinion, it's rare to see such a strong value opportunity, and we're going to talk you through that today. Now, the business that I joined in November had 60 million of liquidity, exceptional cash flow, strong cash, and a product which for me was genuinely excellent, and I've obviously had a bit since I've come here, and it genuinely has surprised me how good it is. But the thing I think that really bowls me over are the people, and particularly the people in the business are hugely engaged with what we're doing, but it's also the winemakers as well, they are passionate both about what they do and about the Naked proposition. And it did lead to a question in my interview with Maza a few months ago, and I asked, why is the share price half the value of the cash and the inventory? Because I genuinely didn't understand it. And that is at the heart of our plan today. Underlying free cash flow is positive. We have strong cash, strong cash generation, a business with growing profitability. This is a significant value opportunity, and we're going to talk you through that today.

But as Maza did at the start of his, I want to talk to you about my commitment to you. Given the scale of this value, I want to be clear on our and my priorities, and the first focus is on profitability itself. We are going to be very clear about hurdles and investments to make sure we make the right decisions. The second point, of course, flows out of that, and that's about cash. We have a lot of cash coming out of the business in the medium-term, and we're going to be disciplined and controlled about how we manage this. We're not going to waste it. And the final commitment, again, flows out from that. It's that we will use capital and distributions to increase value, and if we don't feel we can increase value and if we feel we have excess cash, we will talk to shareholders about what we do with that excess cash.

So those are the financial commitments, and as I said, they're about value. And our plan, as Maza has talked you through it, it's about maximizing value in an undervalued business. So we have 33 million in cash on the balance sheet today. We also have an unused, undrawn 30 million circle of liquidity as well. And the general point here is that there is no need, in a business which is making sustainable profits, to have this much cash in the business, and we know that. In addition to that, we have 40 million of excess cash in inventory, and we'll be coming back to that in a bit more detail. But the key point here is it will unwind, it won't expire, and we will release 40 million of net cash from this.

The next point is that the underlying business is stable, we'll come to this in a couple of slides time. The underlying business is stable, it is profitable, and as I've already said, we are free cash flow positive. Why this is important is if we know that the membership and revenue, we know where it's heading, we know the size of the business in the medium-term, we know what our costs are today, and we'll be talking to you about significant cost savings, and because we know those two pieces, we know therefore the EBITDA will be heading to 10 to 15 million over the medium-term. So a profitable business as we focus

on our profitable core. And finally, we very strongly believe this business will return to growth, and we have strong plans for retention and for acquisition, which we'll come back to, and particularly Maza, Lisa and Paul will be talking to you about more today. So that's our plan about maximizing value and returning the business to profitability, strong, profitable growth and cash generation and revenue growth.

So if we start to dive into that a little bit, let's start with the balance sheet. Cash will reach 75 million from our current balance sheet alone, and obviously you know that we've generated about 23 million in cash since the start of FY24, I've also touched on the unused 30 million borrowing facility. So we have a lot of cash on the balance sheet. We've got more cash that will come out of the balance sheet, and I've got a slide on inventory later which touches that. But clearly, we have excess, and clearly it will convert to cash. There are other areas to think about. Now, I'm not going to go into the details of this, it's a broader point, that there are other areas in the balance sheet we know that we will be looking at. Now, those areas are not in our plans today, but there's upsides there, and hopefully we'll be coming back to you with thoughts and details on that in the future. So we've got a strong balance sheet which is going to generate significant cash just from the items I've talked about already.

Let's dig into the inventory a little bit. So inventory, 40 million of net cash is going to come out of our excess inventory, and the good news is we're already making progress on this. So stock has fallen significantly in FY25, and importantly, in the last three months, we've been doing a lot, looking at incoming stock, our current stock, particularly in the US, to look for ways to optimize that and optimize our plans. And the good news is that we've identified circa five million more cash by having better plans for how we will liquidate things in the future. So that's 40 million of net cash coming out of the balance sheet and excess stock.

As part of that, there are some liquidation costs over the medium-term, which are, just to be clear, included within the net cash impact. Those are a mixture of items, and what's important there is that there are some items where we will have to almost certainly make decisions and invest money to liquidate the stock. There are also quite a lot of options in there, probably half of that are very clear options where we could take the stock early, take the liquidation costs, or we could potentially push the stock back further. So the other point in there is that this is based on current US bulk and finished goods wine prices, which are pretty weak at the moment, so if and when those come back, there is potential upside there. But to be clear, we're not panic selling, we're going to do this carefully, we're going to look after our cash, we're not going to waste it, and that's core to the inventory. So 40 million coming out of inventory.

So that's the 70 million, five million, from the balance sheet. We next move on to the second piece, which is recalibrating around a profitable core. So as I've said, the business is underlying free cash flow positive in FY25, so this is a profitable business today, and it will be going forward. So we're going to come and talk about the profitable core of members in the next slide. But the membership is broadly stable, and we'll explain that. A key barometer of that, a key point coming out of that, is that our Angel funds are also very stable, and there's another chart on that later. So we've got a profitable core of members with very strong engagement, strong retention rates, and that's what we're focusing on, because they already generate something like 35 million of contribution in the business. So our profitable core members is the focus for our business.

The next point is that we've got 23 million of savings. So 15 million of this will come in early FY26, and the remaining eight will be spread over the medium-term, and there are two parts to this, again, we'll come back to, seven million of marketing savings and 16 million in other areas. So if we start to dig into some of these points, this is probably one of the most important charts that I'll be talking through today. So as we said earlier, underlying membership is stable.

So what's been happening is in FY21 and FY22, we acquired a huge amount of members, something like three times the normal level of members. So if you look at what's happened over the last few years, the membership levels have come down, but what's really happened is that in those years, we acquired three times the normal level of membership, and whilst the percentage attrition has been broadly in line with every other cohort, if you acquire three times as many people at the start, as you progress, every year, you're going to attrite three times as many customers from those cohorts. So the good news is that as you project that forward, obviously over time, the impact of that mitigates and reduces. And you can see that we have been broadly consistent with our underlying other members as well, so that is a key point which points to stability going forward.

The next point is you can see blue and purple cohorts into the future, and what that point is saying is that if we get our retention back to levels we know it can be, and part of that will come out of a different customer acquisition strategy and part of that will come out with investments we'll be talking about later, that gets you to the blue boxes. And if we get our payback back to historic levels, that's what takes us towards growth of 5% to 10%. So we have an inherently strong core membership base, which is profitable, which is broadly stable, and we have clear plans to get us back to growth in members.

I mentioned Angel funds before, so this is a very important chart. You can see the green line along the top, that is our Angel fund balance over the last few years. You can see the revenue dropping, obviously, that won't be a surprise. But what's really going on here is this Angel fund balance is very heavily weighted to our more mature core members, so because those are far better retained, it's no surprise that the Angel fund balance maintains fair stability. And an output of that is the drop in cancellations as a percentage of the balance from 44% to 14% between '21 and '25. But really, it's that stability of the membership which is driving that. Now, why this is also important to us is that it significantly increases our confidence in our cash balance and our cash requirements going forward, so that gives us even more confidence about potential distributions and excess capital in the future. So that's our Angel fund balance.

Dominic Neary:

Our Angel fund balance, how do we ensure that we reach our EBITDA 10 to 15 million in the median term? Well, the first tranche of the 23 million of savings is 7 million in marketing, and all of this comes from the start of FY 26. So 7 million of savings. The detail of this, Lisa is going to come back to later, but for me, this is the strongest validation I can financially see of our test and learn strategy. So some really comprehensive modeling and analysis was done last calendar year. And the output of that was then tested and it as identified that there is an opportunity to pull back about 30% of our marketing spend, which is 7 million pounds. And that will have, we believe a 10% impact on our membership acquisition. So there's 7 million of savings there. And I think the key to this is, well, twofold.

One is there is actually a double benefit here because the customers that we are losing are the customers that were very heavily focused on discounts and vouchers, and they were the ones that we've found it most hard to retain. So there's a benefit there because you get better retention mix just coming out of this. And also the long-term value of course of those customers, those members is improved as well.

So 7 million of marketing savings and a far more disciplined profit-focused approach, which is rooted in testing coming out of this. So we said, "23 million of savings," seven of it in marketing, and then 16 million everywhere else. So 8 million of this, that's the yellow bit at the bottom left is happening sort of straight away in very early Q1 FY 26. And what's important though for this is that these savings are both in our plan, but there is stuff on top of plan as well. We'll come back to that.

So if we take that first 8 million of savings, the first 5 million goes live in Q1. In fact very early in Q1 FY 26, and there's a couple of warehouse moves in there. There's a new contract on the distribution. All that is pretty much baked in. The next chunk is 3 million of savings in our GNA area. And one of the key points that we're doing is we are reorganizing to work much more centrally. Now the impetus for that is that we believe that will make us more effective, will make decisions faster and there'll be less waste.

And part of that is there are cost savings that come out of that, which is a mixture of things. Then there is more to come. So we for the moment built over the medium term savings in COGS and other areas for the next 3, 4, 5, 6 going on years. We've baked in what we believe to be a conservative level there. We have a much bigger pipeline which we haven't baked in, but that's what we feel comfortable committing to over the median term.

So 16 million savings there, 8 million of them straight away added to the 7 million we said in marketing. That's 15 out of the 23 millions comes from Q1 and the rest is spread over the median term. Okay. So this brings us to our plan. So on this slide we have a range of scenarios and the key differential between them is the acquisition retention boxes at the bottom.

So we've got an acquisition. You can see the 30% marketing cut in all three scenarios. And you can also see we've got a 10% drop in member acquisition, which is what we perceive happening based on the results of our testing. Clearly it could be worse, we've just said 20% just to say, well, you know what? It doesn't feel, it could be much worse than that. And the bit that is potential upside is that the revised marketing strategy highlights opportunities, and we are not necessarily including those in our plans, but were they to happen then the higher scenario would happen as well.

Retention. The assumptions here are in the lowest scenario is that retention stays where it is. Now again, that seems very unlikely because we are at the very least going to have a mixed effect from changing the acquisition mix. So we believe that with the change in acquisition and the initiative investment that we'll be talking to you about later, we will get our retention back to levels we saw in 2019. So it's about to three or 4% improvement.

We haven't improved that for the highest scenario, but of course it could as well. And what this means is that this results in revenue stabilization. Potentially this drives to growth and it drives strong profitability and cash. So if we go and have a look what that looks like... Sorry, one final point. On the lowest scenario you'll see a cash number of about 70 million at the bottom end. There's actually more cash. In this scenario some of our inventory spills over into the next year of our median term assumption. So you're missing about 15 million of cash, which is why it's 70, not say, "85."

So those are the three scenarios. So what does that look like in terms of commitment? Well, this is all about getting EBITDA in any realistic scenario to be strong, which for us is 10 to 15 million and there's included within that 200 basis points of margin investment, which we'll come onto later, which is driving retention and sustainable growth. And so you can see there, if we go through it, revenue stabilizing 200 to 225 million. Underlying EBITDA progressively growing year-on-year to 10 to 15 million. The cash balance we've talked about, and obviously you'll have picked up I imagine this is the lowest scenario in the plan scenario, of course there's upside. Within our excess inventory liquidation, there is liquidation of 12 million, but to be clear, net cash impact is 40, not 28. And finally there's an exceptional item of circa 2 million, which will be driving the 15 million of savings that start in Q1 FY 26. So strong EBITDA delivery and strong cash generation returning the business to sustainable growth.

So two more points today. So the first one is about our KPIs. So KPIs are the core of Naked Wines' business. They are everywhere and they're very important to what we do. You can get some more definitions on these in the RNS, and one minor point is the payback metric. And we are continuing to review that and may well come back with a different option in the summer. But broadly speaking, they are key to testing KPIs in Naked Wines. So for example, the 7 million of savings that we identified earlier

on has come out of KPIs and testing. So they're critical to how we run the business. They're also critical to how we unlock investments at different hurdles. They're core to our budgets for example, but they're also key to our communications both internally and with our investors. And we are aiming for them to be simple, investor and value focused and aligned with what we are looking at internally.

So KPIs that you are seeing are very much part of what we are looking at internally as well. Which brings me on to the final slide today. And again, one of the most important slides I'm presenting. So I started this presentation talking about a commitment to allocate capital focused on value, and this is everything about this slide. We are intent on starting up regular distributions. We're in the process of discussing this with financial stakeholders, and we will come back to you when we've got more news on that.

There is a lot of cash coming out of this business, and we are clear that we need to get to the potential for significant distributions in the median term. This fundamentally depends on sustained profitability, and we are equally committed and confident we will get to that as well. So I would anticipate there will be significant excess cash in the median term, and I know we'd be very surprised if distributions weren't part of that. And if that doesn't mean share buybacks, we would obviously come and talk to shareholders about what we would do with that excess capital.

And the final two boxes are really to a degree the same point. We are going to be very careful with this cash. We are not going to go and splurge it on things. We will talk to our shareholders about it. Internally, we are absolutely committed to sensible investments. So I hope that comes out of what we're saying today and obviously opportunities arrive externally. There's clearly nothing I'm looking at today, but we would only do it if there was clear growth in value coming out of that.

So that's all I've got for you today, so thank you for your time. I think just to wrap up, there are three things to try and take out of this. One is the significant cash, much more than profits coming out of this business over the median term. Two is the business itself is free cashflow underlying positive, and as I say, "Much more cashflow positive than just the underlying business." That's very important. It's a profitable business, and we are absolutely committed to careful management and careful capital allocation. With that, I'm going to hand over to Maza who's going to take you through the growth as we head to five to 10% growth.

Rodrigo Maza:

Okay, so, so far we've talked about how our plan releases value from our balance sheet, and how we are recalibrating Naked around our profitable core members. That alone makes Naked a compelling investment, but we know that long-term value comes from growth. So let's talk about that as well. Should have said that later. FY 25 has been a year of testing, learning and challenging all the assumptions. I could spend the whole afternoon talking to you about all the tests on the research that we have conducted in the past few months, but let me just cover some of the main headlines.

What we have learned is that we have a limited share of our customers wine wallets. They spend around a third of their wine money in Naked and two-thirds elsewhere. That's something that we want to change of course, and we have a clear understanding of what our limitations are, and therefore we're already actively addressing.

We have learned that our pricing has become too complex. Prices become yet another variable that customers need to figure out when they're trying to shop for wines. So we're already actively simplifying it and you can see this in the UK in our site already. Third, we have failed in explaining what makes Naked different and to keep them top of mind as customers shop with us. And that becomes very relevant, especially in the onboarding stage, which we have already revamped. We know now that we have a winning model that we need to double down on, and as Dom said that we could be getting much more value from our investments, especially around acquisition.

All these findings and more have been considered by us when building the plan that we're sharing with you today. Now I believe that the testing around our model deserves a closer look. Over the past couple of years, we have tested two alternative propositions at scale. First, we invested heavily in Wine Genie in both the UK and the US. This is a subscription where we select wines for our customers and ship them out to them on a regular basis. Conversion rates are higher for Wine Genie and that's driven by the fact that it's just a simpler model to understand. Now the LTVs are significantly lower. When we questioned that, when we researched that, what we found is that there's much higher likelihood of churn because of a lack of differentiation. There are many other companies in the market offering exactly that. So the barriers to switching are just lower. We also tested a standard e-commerce model in Australia with the assumption that we would be able to convert those members that came in for a one-time purchase into a membership afterwards, and that hypothesis was invalidated. What we actually saw was a 50% drop in our membership signup rate.

And of course there's the Angel model. While we need to constantly improve how we present it to new customers, the fact remains that its core metrics, particularly NPS and retention, are very, very strong. So based on all of these, we now have clear evidence that our unique Angel proposition is the right model for us to build growth around. Now these kinds of learnings are critical for Naked today and in the future. They won't stop here, right? We can never stop testing because if we stop learning, then growth is not going to happen. So that's why in FY 25 we partnered with a world-class expert in growth product and data called Crystal Widjaja. She's helping us move faster and raising the bar inside of Naked when it comes down to experimenting and learning. Crystal has played an invaluable role this year in turning Naked into a true learning organization, bringing the mindset, the tools, the systems, and the discipline we need to drive results. Here's a short video from Crystal.

Crystal Widjaja:

Hi, I'm Crystal Widjaja. I've been a board observer and advisor to the leadership team since May 2024, focused on making Naked Wines a true learning organization. I'm a product and growth practitioner with experience at Reforge, AB InBev, Printify, and EPO, all companies with a focus on consumer marketplaces and operations, intensive scaling or data infrastructure tools that allow companies to run faster experiments and deliver causal outcomes.

I have a unique background. I'm technical so I can write SQL and dive into the data myself. Yet I've also managed hundreds of global team members in my roles as the SVP of Growth and chief of staff at GoTo Group, where I help grow the business from over 30,000 orders to 5 million daily orders. This expertise allows me to specialize in transforming companies at scale by integrating hands-on statistical techniques and evidence-based decision-making. At Naked this has involved training teams on the best practices for experimentation, designing test and learn loops, and creating compounding experiments that lead to exponential impact rather than running them as isolated tactics.

We rely on industry standard statistical methodologies from monitoring process control charts to using iterative Taguchi array test designs like the one you see here. By understanding the advantages and disadvantages of each of these techniques, we end up choosing the best approach given the time historical data and potential ROI. For example, between August and November we experimented with cross-selling Wine Genie subscribers into an Angel membership. This leverages the higher initial conversion rates of the Wine Genie model while resolving their LTV gap. It's a win-win. Subscribers enjoy a richer, more rewarding experience, and we realize higher LTV from these upgraded members.

Instead of relying on gut feel, we segmented Wine Genie subscribers based on their individual engagement patterns. We started small, then scaled up. The first test only achieved a 1% conversion rate, barely better than the control group, but it's because we were wrong that we were able to pivot.

Negative information in a systematic testing environment, allows us to improve our metrics over time. In V5, we ended up using a mix of right channel, right message, right timing for each of the segments and that led us to our highest conversion rate of 6.11%.

That is a 100% improvement over the baseline and most importantly it's sustained even today. Ultimately, my goal is to ensure that every part of Naked Wine's user retention strategy is not just tested, but compounding, increasing the baselines, integrating smarter testing and using rollouts as a holistic decision rather than on a one-off test basis. Thank you.

Rodrigo Maza:

The approach that Crystal just outlined is working as evidenced by the results that our Australian team delivered in FY 25. After two years of double-digit decline in members, Naked Wines Australia is back to growth this year. These are some of the drivers behind those great results.

First and foremost, the team doubled down on what makes Naked different, leading with our value proposition and emphasizing great value and the support for local winemakers and doing so in a tone that actually cut through the noise. They managed payback with great discipline, consistently steering towards better LTVs. They sharpened their target audiences aggressively cutting out on their performers. They pushed hard on front-of-line economics, lifting acquisition prices with minimal impact in conversion, and all of that was supported by a steady brand investment NPR, which has kept the Naked story alive and relevant in that market.

Australia may be a smaller market, but it's shown us what it's possible when we execute with discipline on our strategy and that gives us real confidence that we are going to produce the same results in the UK and the US soon. Now I hand it over to Paul and Lisa to walk us through retention and acquisition.

Paul:

Thanks, Maza. Good afternoon everyone. I'm Paul Calandrella. I'm coming up on my one-year anniversary at Naked Wines and for the past year I've led our US business. I'll be taking the helm of our commercial and operations centralized team going forward. I spent the past 20 years of my career in varying roles in organizational transformation, brand and product strategy, mostly in the retail sector. Quite a lot of that in outdoor hard goods. And I've worked in large organizations, ALA, Fortune Five, like Amazon, and in venture-backed startups having most recently come from a re-commerce business that I led through a series C, a turnaround and a sale.

I think when I said as I joined Naked Wines, I've really focused my mid-career on purpose-led brands, and the underlying subtext there is I need a crusade. And I've been really excited to join the crusade that is Naked Wines. To come along the team over this last year and work on behalf of our Angels and winemakers to stabilize the business and get back to the magic that has made this brand great.

So I'm going to talk a little bit more on our path back to sustainable growth, and as I see the Australia slide having led the US business, I think how do we get the US and the UK to catch them? I'm going to address where we will address two aspects, both retention and acquisition. We're going to get through to improve retention through innovation on our member benefits. Lisa will share a bit more on sustainable high-quality acquisition. So three key points on why retention is critical to our business model. For every 1% of retention improvement, we put 300 K to the bottom line in the current model. And as Dom illustrated, we believe that as we improve both acquisition and retention, that only gets amplified.

While over the past year we've done a really good job of reinforcing our customer value proposition to our customer, we really haven't innovated on the base value for our long-term members. Said simply,

we really haven't changed the proposition for our most loyal Angels in quite a long time. So we propose to do that.

Three pillars underlying how we improve retention. These are fairly simple on face value, discovery, delivery, and community. And I want to emphasize and will multiple times that it's no one of these independent of the others that will drive that underlying magic. It's the unique overlap of the three.

Discovery is really about simply helping our Angels find the right wine for them. Delivery, we know we're behind here and that's about giving them flexibility in the minimum order quantities. The speed and the cost of bringing Angel's wine from us to their front door. And community is perhaps the most unique and underutilized point of leverage in the business today. We have a myriad of experts, our wine advisors sat inside the business and world-class craft winemakers that we can narrow the gap between our Angels and their engagement with those members of our greater community.

We have to ask ourselves, how do we know these are the right three pillars? And really it's a simple answer. We have substantial insights coming directly from both our target customer and our most loyal Angels that tells us this is where we should focus.

So I'm going to spend a bit of time on this slide. And I've spent quite a bit of time evolving range strategy on behalf of large retail organizations, and this is a fairly familiar construct across the best category management teams. I'm going to start by saying, "The greatest retailers"-

Paul:

I want to start by saying the greatest retailers live and die by differentiation of their assortments, and the ability to reliably meet customer expectations while adapting to evolving customer trends. And I would ask you to picture standing in your favorite bottle shop. What do they do exceptionally well? They bring the best balance of seasonal introductions, new varietals formats, and newly discovered wine makers along with reliably priced staples and repeat vintages of favorite wines. We simply need to do that at scale.

So if I nod to the construct here, it's really divided in two halves. The top half is meant to represent, and I love the words on the slide, irrational love. How do we put rarities into our assortment that are the things that will create talkable moments that our peers on the growth side can speak to externally, and will drive that raving loyalty that we have with our best customers?

The pyramid's smaller at the top. So this also reflects how we think about price and our investment of inventory dollars. So this is not a place where we will over-invest to drive that narrative, but we will invest responsibly to create local assortments and new touch points for the customer to discover as they come back to Naked again and again. I think of this as the tranche of our inventory and the portion of our range that is meant to illustrate our shared values, the values of our community. If I think about the foundation of this pyramid, this is our commercial drivers, these are our staples, common price points, the milk and eggs at the grocer, the things you must have to make the business financially viable.

When I think about this part of our range, it's what we've done well recently, and this drives ultimately share value. So this is the financial engine of the business. Now, I want to acknowledge that we have earned the right to start to think about how we segment our range. And the narrative I would share there is we're really coming back off of those post-pandemic years where the range was what we could buy to meet customer demand, and we are at a point where we've managed inventory to a responsible place and we can begin to cast our eyes forward on how we put structure to a range that will make more sense to our customer.

Because Naked represents the independent winemaker and each of the wines we carry at Naked is unique, these are snowflake skews. We carry the burden and reap the benefit of marketing these labels

in the greater marketplace. It's our intent to bring our stable of craft winemakers back to the forefront of the brand. And as Mazza illustrated, walk back a bit from that transactional posture that we've taken in recent years. And while we elevate the art of category management, we also need to reinforce the underlying science. What we don't ever want to repeat is that we find ourselves in the overhang of inventory that we have sat in the US business today.

So what does that mean? That means a sound skew level plan, literally down to the bottle of wine. A forecast that we can share with our winemakers so that they can understand their position and value in the business over the longer term. And we're doing this by centralizing functions so we can leverage scale. Rather than our winemakers having three market-based conversations, they can have one centrally and we can begin to improve the cost basis of our goods and give them a longer view of the health of their business with Naked. I mentioned I'd stay here for a minute. I want to dwell a little bit on pricing strategy because it is implied in this same construct As we illustrated earlier in the presentation, Naked strives for meaningful separation from the marketplace and how we price our wines. That is the underlying notion of the model. We cut out the middleman and pass that savings onto our customer. So we've already taken some fairly substantial steps in the UK as we think about pricing in the year ahead. First step is a disadvantageous one and that we've had to raise prices to offset UK-based duties. That's a market-based impact, and so we think we share that burden with our competitors.

We've also taken a bold step in the direction of a price ladder adjustment. We've reduced our total price tiers from 40 to 10 approximately, and that's really about creating an easier manner of discovering wines at the price point for me on the Naked site in the UK. While we did that, we were very conscious to look at our competition and we've held key skews at specific price points because again, milk and eggs, we know we need to be competitive on certain varietals at certain price points. We're going to take this playbook to the US next.

First step there is to take Nielsen shopper data to inform our competitive view. Right now, the middle of our range in the US business is relatively healthy. We have the right mid-tier price points, we have the right inventory SAP behind those price points. We do have an overstock at the top of the range, and you can see this a little bit in that graph or in that graph we shared earlier. We have purposely priced our premium wines low of the market to increase velocity. At the same time, we haven't done an effective job in highlighting those wines to our premium customer. So there's a very simple exercise in segmentation and communication that we think help move us through those wines. And there's likely margin upside as we reset to where the market will allow at the top end of our range.

And at the same time, as I mentioned, insights from the customer. We've had quite a bit of feedback from customers considering pausing their relationship with Naked based in the notion of inflationary pressure on their wallets, and they're telling us they need cheap staples in our range. The vast majority of the US wine sales are below a $9 price point and Naked has purposely not played there. We will very much consider that with a narrow focus range going into the year ahead.

And since I'm the Token American, I should probably take what will likely be a question on tariffs later anyway. This is something we're watching carefully. Obviously, it's a dynamic. If I'm being nice and volatile situation, if I'm not, we believe that we're buffered from this, and that's largely because we own the vast majority. We need to run the US business today. We have limited European imports coming in over the next year, and if I were hedging for the long term, if these come to pass, it could increase the velocity of sales of American wines and that could help us clear through our overage faster than we have.

So I want to reiterate the construct before I move on to the next slide. Why are we doing this? We need a common language internally about what we buy and from who, and a complementary demand profile at the skew level to ensure that we have the right inventory levels and sell through. From that, we give a

clear brand narrative to our peers on the growth side and we make long-term communication to our customers quite a bit easier. Customers get a more intuitive shopping experience on the site, and winemaker relationships are simplified as they've got clarity on our strategy, and their position and our commercial approach.

Range strategy is just one element of how we propose to innovate for angels. And I should say, this is simply returning to the discipline that we've once had. It's a return to the fundamentals at Naked. I said earlier, no one of the three pillars will drive that raving fandom we talked about. It's the overlap of the three. In most businesses today, that buzzword is personalization, and we should recognize that each of the three pillars across discovery, delivery and community will have different meaning to individual angels. So we need to tailor that to the customer experience, the unique customer experience.

So I would point us back to Crystal's overview on the Naked Truth framework. That is our way into testing new member benefits. We need to innovate more on delivery and community. Based on historical behavior, we are fairly confident that with some effort we can make a 5% improvement in retention by simply focusing back in this direction. At the same time, we've reserved upwards of $3 million to put to this effort. Now, I want to go back to a point Dom made, which is that is not money to be spent without evidence. That is money to be leveraged to scale the things that work for our customer. So what might work for our customer? Let me give you some practical examples. When I think about discovery, we have a money back guarantee that is largely underused today. 1.5% of wines purchased and rated are returned. We might like that to be more. Why? You don't always get it right as a customer when you're discovering your next favorite wine. So if we can de-risk that exploration, we can drive more purchases. I mentioned earlier, we're behind best practices on delivery in the marketplace. We want to test into flexible minimum order quantities, shipping costs, and speed, and allow angels to select their preferred carrier or courier like our competition can today. We know this is one of the driving factors for them as they consider their loyalty to Naked.

I said this before, community is the real magic of Naked. So how do we shorten that distance between angels and winemakers? Fairly simple. We have strong talent inside the business and our wine advisor teams. Some angels today enjoy white-glove access to that community. We need to shout about that more, make it more apparent that it's there. We imagine beyond our tours hosting select tasting events, access to spend time with winemakers, learn about their wines and enjoy a sip of wine if it's in-person. But can we make that virtual as well? Imagine social engagement where we're thinking about the next wine to put in our range. We should invite our angels in to be part of that process. Let them weigh in on the varietals, the formats, the label if they so choose to.

Our hypothesis is from this testing plan should emerge a uniquely defensible set of benefits across discovery, delivery, and community and continual refinement of the value proposition at Naked. If we do this, we believe Naked will become the place that premium wine drinkers think of first for their next great winemaker and their next favorite wine. With that, I'll hand to Lisa on acquisition.

Lisa:

Good afternoon. I am Lisa, Naked's Chief Growth Officer. I have come off the back of 10 years in e-commerce and marketplace delivery companies. Four years spent at Deliveroo in various global marketing roles and three years most recently at Ocado. And the Ocado experience matters here. Ocado was a company that was increasingly incentivizing its first customer order, and it was becoming unsustainable. I led a team over two years to change the go-to market approach. Three core ingredients of that go-to market approach. The first, find ways to better keep customers through their first few orders. The second, reduce attrition, look for causes of churn and eliminate them. And the third and a brand. And you build a brand for a reason, which is you can reduce your reliance on paid acquisition

sources and find more sustainable ways to grow your customer base. At Ocado now, we'll do half a million new customers every year on completely sustainable unit economics, and that's experience I'm bringing to Naked now.

So today we're going to talk about three core acquisition focus areas, and the acquisition section very purposefully follows Paul's section on retention. And the reason for that is that as we improve the proposition for our angels, we'll be able to monetize that base better, but there's also more magic available, which is that we will continue to build that community and supercharging how we use that community is at the center of our new acquisition strategy. The second area I will cover is the progress that we've made in the awareness and the conversion portion of our customer life cycles. And lastly, I'll touch on our measurement strategy, which has been in significant development over the last six months and is already showing early signs of improvement.

But the first stop is in Liverpool. I don't think you're expecting me to say that. These are the steps of St. George's Hall, and St. George's Hall is where we hosted one of our stops on our tasting tour in the UK last year. In this picture, you can see 35 of our winemakers. You can see 50 members of the Naked team and they are in the middle of a 10-day tour and we're talking buses and queues and screaming fans and a shedload of wine. 5,000 angels pay money every year to join us on these tours and we run them all over the UK and all over Australia. We would run them in America, but licensing laws around liquor are highly complex.

I was lucky enough to go to the London stop of the tour in my first month in the business last year, and I had a real aha moment. As I watched wine get poured and conversations flow and people finding their next favorite wine or talking to their favorite winemaker, it was the best example I could find of why Naked was founded in the first place because we originally believed back in 2008, and we still believe now that sometimes winemakers and customers get a raw deal inside of the wine industry. Customers get a raw deal because wine is hard to navigate and it's complicated. You made to feel bad if you don't know stuff about it. That's rubbish.

We believe we can take the guesswork out of wine and we see that on our tours. There's nobody feeling awkward. Everyone's getting stuck in and having conversations. And on the other side of our angels, there's our winemakers, and I'm pointing to Ruth here who are going to introduce to you too soon. Our winemakers are able in the Naked model to focus on their craft, credible quality wines at amazing value. They don't get distracted by all the rest of it.

So as I was on tour, what I saw was the perfect example of our brand in action and it becomes increasingly clear to me that we have lost some of that magic in the broader expression of the Naked brand. We've become more dependent on paid sources of acquisition rather than monetizing the heart of our community. And the good news is we are on a journey now to get that magic back. That journey started last year where we set out a new structure for how we were going to measure our marketing investment and we started to realign the talent in our teams for a modern marketing ecosystem. This year is all about focus testing, where we're going to be building both new engines inside of our customer life cycles and building better retention strategies as Paul's outlined. And these approaches together will build competitive brand advantage.

Warren Buffett calls brand a moat. Brands are not shiny marketing campaigns. They are not TV ads. And if that's what you're thinking, that's not what I'm talking about. Brands are resilient. Brands enable you to sustain price increases when duty goes up. Brands enable you to acquire customers for less money because you've got something that's special at the heart of your business because people will recommend you to their friends. We estimate something like 1/3 to 1/2 of our customers will have been recommended Naked by a friend before they choose to join us. We've got to keep finding ways to supercharge that.

So to give you some more color on where we've been focused this year, we've run over a thousand tests across our customer life cycles, and we now have notable engines in place across the awareness portion of our business and inside of the retention portion of our business, particularly focused on CRM, which is customer relationship management. This year the focus will now pivot to establishing big new testing engines in our conversion portions of the customer life cycle and also, in referral.

Now, to talk a little bit about the marketing investment plan that Dom's already all alluded to, I'm going to put some color on what econometric model really means. Econometric modeling is where you build a complex set of statistical regression models that allows you to understand for each individual factor that might affect how your business runs and how much demand you can generate and it allows you to make better choices. So through our new econometric models that we have, we're able to see the impact of seasonality on our demand patterns, the impact of pricing on our orders, and most importantly for this conversation, the impact of individual investment amounts by channel, by country. We then take that information and we run what we call geo holdout tests and bear with, this is where I get a lot of energy and excitement. I'm going to explain it.

We take states in the US and Australia or counties in the UK, and we match them to other states or counties that have exactly the same demand profile. We then hold marketing investment out from one of them, and that allows us to get a true sense of for every extra million pounds spent in whatever channel it might be exactly what return you get, how many new members at what CAC. And that means we can establish proper diminishing returns curves, which allows us to work out where we can slice off the most inefficient investment so we can either bank it or reinvest it into channels where we can prove that we can scale it more efficiently. This testing approach allows us to scenario model what we can do this year, which is where that 7 million in savings has been found. We are confident that we've got the right balance of savings to the marketing line, but at the same time needing to add the right number of members to our mature cohorts so that we're protecting revenue in FY27 and beyond. And that's the balance that we're constantly looking to find. So you can see here that using these methods, we are now on a positive trajectory for payback. Our monthly payback in the last couple of months is the highest it's been in two years. This is driven by scaled testing as I've just described. We are rebalancing the levels of vouchering activity that we've done historically because as we've described, we've been past diminishing returns and the customers we bring in through those channels are typically lower value. We are now improving our focus on sources of sustainable acquisition. We know there significant headroom out there in the number of customers in our addressable market, 27 million. We have a fraction of those today, and those sources of acquisition are now showing green sheets in storytelling and community channels. This will take us back to acquisition unit economics that we've seen in the pre-pandemic past.

One of the sources of great joy in marketing though is that the industry never sleeps. The channels are constantly evolving. And while it may get occasionally frustrating, we cannot go back to what we were doing in 2019 because the marketing world has moved on. But the good news about that is that our model and the magic of the community as we've described it, is very well set up to capitalize on the modern marketing ecosystem.

We've got plans for each of our advocacy groups where very limited investment or sometimes zero investment, can drive significant return. We're talking about talkable moments where we'd send something to our angels or we share something and they talk about it organically. We've got great proof points for this year with our advent calendars with some of our range new product development that we're doing with wine makers and with our tours if we've described them. The other area that we're really investing in is enabling our wine makers and creators to tell authentic stories. It's those stories in those channels that allow people to hear about Naked. Our awareness levels are pretty low, particularly in the US and this is where we're doubling down this year.

So to reiterate, we have a disciplined approach to marketing investment via best in class measurement approach now. We are seeing payback on a positive trajectory and we've realized 7 million of savings. Further savings will be possible as we get closer to recalibrating this business around its single biggest asset that it has, which is our community. The community is the beating heart of what makes Naked special. It's the movement. It's the cause that people joined so many years ago. So it's time to build that community into a sustainable brand because that's what's going to restore Naked to sustainable growth.

Now, I believe I'm passing back. No, I'm not. I'm playing you a video. So we are going to introduce you to Ruth at the end of the Q&A, but before we do that, we wanted to share with you the stories that our wine makers shared with us from all over the world about what makes it special to work and be part of the Naked community.

Speaker 1:

We are Naked Wines. Man, I don't know what I would be doing.

Speaker 2:

It's like having ambassadors everywhere in the world because of all of the angels involved.

Speaker 3:

I was able to focus on what I love to do, have my family, but also make wines while they handle the brunt of the logistics, the distribution of the financing and the marketing. So an incredible opportunity.

Stefano di Blasi:

Naked wine has helped me a lot during my career. I've been spending the last 25 years working in this business. The last day working with Naked.

Katie Jones:

Vandals broke into my winery and they emptied my vats. The Angels rallied round and they raised £200,000 to help me get back on my feet.

Scott Peterson:

Naked wine took out the stress, the heartache. It's really allowed me to become a creative winemaker again.

Claudia Small:

We think about what our lives are like. They're completely different to what they would be without Naked.

Speaker 7:

I love being part of the Naked family.

Speaker 8:

And hope people continue to enjoy our wines.

Rodrigo Maza:

Okay, last section. One last time. This is our plan. We will release 75 million in cash from our balance sheet. We will generate up to £30 million from trading in the medium term. And this will happen... Sorry. This will happen in the next few years, and that alone makes Naked an interesting investment. But we'll continue to test and learn our way back to growth. We'll get there by moving retention back to historic levels and by following a disciplined acquisition strategy. We'll scale what works and stop what doesn't. Giving capital back to shareholders.

We have taken big steps this year from stabilizing the business to rebuilding the team and grounding our strategy in real data and insights. We are not promising a moonshot to you. We're showing you a clear disciplined plan to unlock over £100 million in value. We are already executing with more focus, more discipline, and more conviction than ever. And while there's still work to do, I genuinely believe we will get this company growing again. Naked Wines is undervalued and this plan is how we're going to change that. Thank you very much, and don't forget that wine tastes better Naked.

Okay, well, before going out to the atrium I think it's called, I am very happy to introduce you all to an amazing winemaker. Someone that has been along with her husband with Naked for a very long time, who produces amazing wines, and we'd love for her to talk to all of you about her wines, but also about her experience with Naked. So please join me in an applause for Ruth Simpson.

Ruth Simpson:

Well, thank you Maza for that very generous introduction. And I'm really delighted to be invited to come up and speak to all of you here today because it gives me a very personal opportunity to say thank you to all of you for your support. Because it's only with that continued support and investment in Naked Wines that they can continue the support and investment of winemakers like myself and my husband Charles. So for that, we are most grateful. Being introduced as one of the longest-standing partners of Naked Wines makes me very proud, also makes me feel rather old. But he's right, we've worked together for 13 years. Firstly, at our French estate in the Languedoc, and then across back to Kent, and our English wine business back here in the UK.

And although they've been in a transitional phase of the past couple of years, our commitment to this business remains as strong as it was on day one. So when Maza asked me to say a few words today, I asked myself two key questions. Firstly, why has our relationship, our partnership with Naked Wines been so successful, and why has it lasted so, so long? Secondly, what does Naked Wines offer that other retailers don't? I came up with three reasons, which I'm going to run through with you today and give you examples of why. Firstly is understanding. An understanding first and foremost of the viticultural and winemaking cycle. And secondly, that's the importance of cash flow.

Now, we all know that cash is king, but that is particularly so for grower producers like ourselves. We only make wine from grapes that we grow on our own land, with all the agricultural risk and the cost implications that that involves. We start funding a wine from the moment we start pruning. And it's cash out from then on through the growing season, into the harvest, through vinification, into bottling, and preparation for market. Now, don't get me wrong, we see that as a strength because it means that we control and can guarantee the authenticity of our product, from the grape to the glass. But it's cash intensive. And so Naked's funding model of paying half to producers at harvest and half at collections was transformational for our French business in the early days, when most other retailers are paying at between 60 and 90 days, sometimes after collection, sometimes after receipt of the wine. That's a huge benefit.

Secondly is courage and trust, and Naked Wines have that in abundance. And that allows winemakers like us to experiment not only with different styles of wines, but also even entering new exciting wine

production regions. I'm going to give you two examples here. Firstly was when we had an experiment producing a small amount of traditional method sparkling wine made in the south of France from Chardonnay grapes. Naked decided they were going to take the entirety of that first production, and it was so successful and there was so much demand from the angels, that they came back to us the next year and asked us to make a sparkling Ros from Pinot Noir. You can try some of this a little later, I promise. That was so successful, they came back to us the third year and said, "Could you make a sparkling red wine from Syrah? Our angels wanted a sparkling Shiraz, but we trust you guys. Would you do it for us?"

Of course, we said yes, and those three wines we still make for Naked on an annual basis. Second example is their support for our English wine business at a time when most people were still laughing about the prospect of making world-class sparkling wine in England. So together with Naked Wines, we came up with an angel-funded on primeur project, which saw 2,000 Angels help fund our first harvest in England by pre-purchasing six bottles of English sparkling wine two years before they actually received the product. That shows real trust and confidence. And that wine, again, was so successful that we still have an allocation of Boira, which is an angel-created product on an annual basis from England.

Third and final reason that I came up with, was the compassion and personal connection that we as wine producers have with the Naked Wines team. Now, that's not only just through our interactions with Angels, but because when things don't go according to plan, the Naked Wines team rally round and support. Our very personal example here was in 2021, we were hit by a catastrophic frost in Southern France and we lost 75% of our crop. This meant that we couldn't produce two of our key products for Naked, because we lost all of our Sauvignon blanc and all of our Roussanne grapes. Naked Rallied, came to us and said, "Well, what white grapes do you have?" And happily, our Chardonnay had been untouched by the frost because it sits on higher level land.

Because the frost had also affected Burgundy, Naked Wines were short of Chardonnay, there was a fit. And again, driven by interaction with the angels, seeing what styles of Chardonnay they wanted creative, we launched Frost Aid, which saw two different styles of Chardonnay being launched into the marketplace. And to be brutally honest, that kept our business and our heads afloat that particularly challenging year. We have a lot to be thankful for. So hopefully that illustrates why we have such loyalty and affection for Naked Wines. I've probably spoken for long enough now, but I'm going to end by just telling you a little bit about the wine that will be available to taste at the end of the presentation.

This was the sparkling rosé that I mentioned previously. And rather than give you a pompous winemaker's description of the wine, I looked on the Naked Wines website, and I thought their description of the wine is far more entertaining and captures the product in their own inimitable style. So it starts off by saying that it is full of finesse and a real beauty. Good start, right? It goes on to say these delicate pink bubbles of mouth-watering happiness are exclusive to you, and it's all thanks to your angel funding. Good point, well made. Finally, the final sentence says it all. Posh looking, posh tasting, Rosy-style champagne at Languedoc prices. You're onto a winner. Cheers to that. Thank you.

Rodrigo Maza:

Should we get some wine? Right outside. Thank you.