



TREASURY WINE ESTATES

15 August 2024

ASX ANNOUNCEMENT

2024 Annual Results Investor and Analyst Presentation

Enclosed are the presentation materials for the investor and analyst webcast and conference call to be hosted by Treasury Wine Estates commencing at 10:00am (AEST) on 15 August 2024. Links to register for the conference are provided in the 2024 Annual Results Announcement also lodged with the ASX today.

For the purposes of ASX Listing Rule 15.5, TWE confirms that this document has been authorised for release to the market by the Board.

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TREASURY
WINE ESTATES

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F24 Full Year Results

15 AUGUST 2024



Important information

This presentation is in summary form and is not necessarily complete. It should be read together with the Company's Annual Report for 30 June 2024 and other announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

This presentation contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors. The Company cautions against reliance on any forward-looking statements, particularly in light of:

- Changing conditions in TWE's key markets, including China;
- Changes in economic conditions which impact consumer demand;
- Changes to TWE's production cost base, including impact of inflation;
- Global difficulties in logistics and supply chains;
- Risks in relation to the acquisition of DAOU;
- Foreign exchange rate impacts given the global nature of the business;
- Vintage variations; and
- The Company's continuing exposure to geopolitical risks.

While the Company has prepared this information with due care based on its current knowledge and understanding and in good faith, there are risks, uncertainties and other factors beyond the Company's control which could cause results to differ from projections. The Company will not be liable for the accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections. The Company undertakes no obligation to update any forward-looking statement after the date of this presentation, subject to disclosure obligations.

Certain market and industry data used in this presentation has been obtained from research, surveys or studies conducted by third parties. TWE has not independently verified any market or industry data provided by third parties

Introduction

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Tim Ford
Chief Executive Officer

Key Messages¹

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- F24 EBITs \$658.1m, up 12.8%, driven by strong Luxury portfolio growth in Penfolds and Treasury Americas, partly offset by lower Premium and Commercial portfolio shipments in Treasury Premium Brands:
 - Excluding the 2H24 contribution from DAOU, EBITs increased 6.4%, in line with the guidance for mid-high single digit organic EBITs growth in F24
 - Luxury NSR increased 29.6% (14.5% organic growth), driven by outstanding execution and with consumer demand for Luxury wine remaining strong in key markets
 - \$1bn NSR delivered in Penfolds and Treasury Americas for the first time
 - Statutory NPAT \$98.9m, reflecting post-tax material items loss of \$318.1m, relating primarily to non-cash impairment of goodwill and Commercial brands within Treasury Premium Brands; NPAT, pre SGARA and material items was up 8.3%
 - Re-establishment of Penfolds Australian COO portfolio in China is on track, with strong shipment demand from customers and initial depletions in line with expectations
 - DAOU continues its strong growth momentum, with 2H24 EBITs delivery of US\$24.7m in line with guidance
 - Following completion of the Premium brands operating model review, TWE intends to:
 - Create a Global Premium division by 1 July 2025 through the combination of Treasury Premium Brands and Treasury Americas Premium portfolio brands, unlocking optionality for TWE to create additional future shareholder value; and
 - Seek to divest its Commercial brand portfolio
 - F25 EBITs expected to be delivered in the range of \$780–810m, reflecting continued strong Luxury portfolio growth in Penfolds and Treasury Americas, with stability expected across the remainder of TWE’s global brand portfolio²

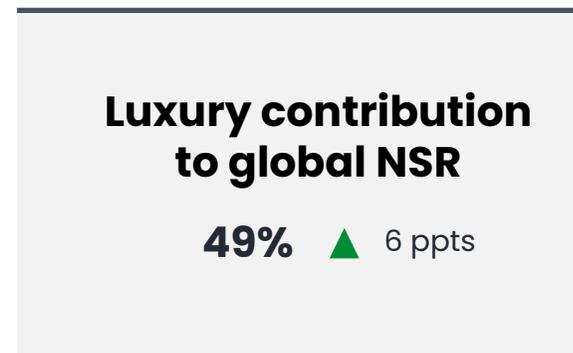
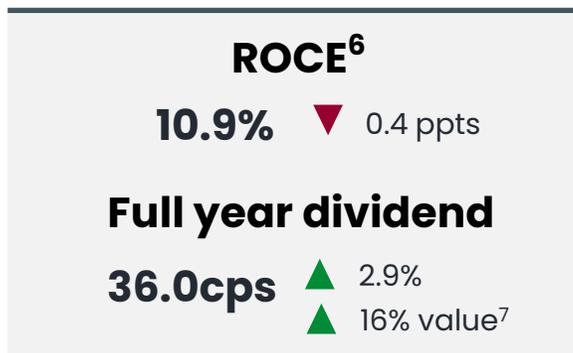
1. Unless otherwise stated, all figures and percentage movements within commentary are stated on a reported currency basis versus the prior corresponding period, are pre-SGARA and material items and are subject to rounding

2. F25 expectations exclude any impact from potential divestment of the Commercial brand portfolio

F24 Financial Highlights^{1,2,3}

Strong Luxury portfolio momentum drives Group NSR and EBITs growth

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1. Financial information in this report is based on audited financial statements. Non-IFRS measures will not be subject to audit or review, and are used internally by Management to assess the operational performance of the business and make decisions on the allocation of resources
2. All figures and calculations in this presentation are subject to rounding
3. Unless otherwise stated, Financial Highlights are disclosed on a reported currency basis, before Material Items & SGARA. NPAT and EPS exclude earnings attributable to non-controlling interests
4. Earnings per share for the year ended 30 June 2023 has been restated, in accordance with AASB 133, for the dilutive effects of the rights issue executed during the current financial year to ensure consistency period on period. Refer to Note 7 of the financial statements within the 2024 Annual Report for details
5. Net debt to EBITDA includes capitalised leases in accordance with AASB 16 Leases. F24 includes last twelve months EBITDAS of DAOU
6. Capital employed excludes the impact of the Treasury Premium Brands impairment in all ROCE metrics stated throughout this document
7. During F24, TWE's share capital base increased by approximately 90m shares as part-funding for the acquisition of DAOU

F24 Divisional performance

Top-line growth driven by Penfolds and Treasury Americas Luxury

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Metric ^{1,2}										
	F24	% pcp	% CFX	F24	% pcp	% CFX	% Organic ³	F24	% pcp	% CFX
NSR (A\$m)	1,000.5	22.1%	21.2%	1,002.3	22.1%	19.4%	0.6%	737.0	(5.8)%	(8.9)%
NSR per case (A\$)	331.7	(6.4)%	(7.0)%	167.0	11.3%	8.9%	1.1%	57.3	4.7%	1.3%
EBITS (A\$m)	421.3	15.5%	16.1%	230.5	13.1%	8.4%	(9.2)%	76.0	(7.0)%	(16.7)%
EBITS margin	42.1%	(2.4)ppts	(1.9)ppts	23.0%	(1.8)ppts	(2.3)ppts	(2.5)ppts	10.3%	(0.1)ppts	(1.0)ppts

1. All figure and percentage movements from the prior year are pre-SGARA and material items, and are subject to rounding

2. % CFX refers to the percentage movement from the prior year on a constant currency basis

3. % organic refers to percentage movement from the prior year on a constant currency basis, excluding the contribution of DAOU in Treasury Americas.

Sustainability

Making good progress in responding to material opportunities

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Material topic	Target	F24 Progress ²
 Climate Change and Energy¹	<ul style="list-style-type: none"> 100% renewable electricity by 2024 Net zero by 2030 (scope 1 and 2) 	<ul style="list-style-type: none"> Renewable electricity usage ~80%, with 24 solar installations to date (generating ~6,500MWh) Net Zero roadmap implemented, with focus on metering, LED installations and electric vehicle pilots over F24
 Water Stewardship	<ul style="list-style-type: none"> Install smart meters at 100% of high and medium risk sites by end F25 	<ul style="list-style-type: none"> Smart water meters installed at >90% sites in high-risk catchments, with roll-out in medium risk catchments commenced
 Health, Safety & Wellbeing	<ul style="list-style-type: none"> Reduce three-year rolling average Serious Safety Incident Frequency Rate (SIFR) by 20% (to 0.72), with a focus on active participation in our safety culture brands 	<ul style="list-style-type: none"> SSIFR reduced by 39% to 0.55 Ongoing focus on managing hazards causing serious harm and continued success of our Build Safe campaign
 Inclusion & Diversity¹	<ul style="list-style-type: none"> 50% women in senior leadership by 2025 42% female representation overall by 2025 	<ul style="list-style-type: none"> 47.2%, up 2.7ppts 43.7%, up 1.0ppt
 Sustainable Growing and Production	<ul style="list-style-type: none"> Continue to implement our plan to increase sustainability certification of our brands 	<ul style="list-style-type: none"> Continued collaboration with growers and bulk wine providers to enable sustainability certification of brands, with 95.2% of sourcing in US and 90.7% of sourcing in Australia certified as sustainable

1. Results pending finalisation of F24 Sustainability Report and assurance

2. Detailed information will be available in the F24 Sustainability Report, which will be released in October 2024. Renewable electricity, Water Stewardship and Inclusion, Equity and Diversity metrics include DAOU

Our evolution continues

We've made significant progress since 2020, with Luxury-led growth now our clear strategic focus



To be the world's most admired premium wine company

To be the world's most desirable luxury wine company

Key achievements since 2020

Established the brand portfolio-led operating model



Drove Penfolds global growth and portfolio expansion

Created the leading US Luxury wine business

Delivered growth in priority Premium brands

Implemented supply chain optimisation and investments in Luxury production capacity

Set path towards sustainability leadership in wine

Luxury-led

Re-establish Luxury portfolio in China to complement existing leadership in Asia

Penfolds' global Luxury icon status established

Successfully integrate DAOU to cement US market leadership and expand globally

Globally scale Luxury portfolio in must-win markets and expand into emerging growth markets

Globally strengthen luxury portfolio through expanding multi-COO sourcing and strategic acquisitions

Create value from the Premium brand portfolio to support Luxury-led strategy

Recognised as a global sustainability leader across the beverages sector

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TWE Game Plan

Our journey enters its next phase with the launch of our new Game Plan

TWE

OUR PURPOSE

B*OLDLY* CULTIVATING

OUR VISION

To be the world's most desirable luxury wine company

HOW WE WILL SUCCEED

CONSUMERS AT
THE HEART

OUR PEOPLE ARE
OUR DIFFERENCE

PLAY
TO WIN

DELIVER TODAY,
BUILD TOMORROW

OUR DNA

WE BRING OUR WHOLE SELF

WE ARE COURAGEOUS

WE DELIVER TOGETHER

Global Operating Model

Strengthening the separate focus between our Luxury and Premium portfolios

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Luxury

% Group NSR | 58%

% Group EBITs | 79%

BIN & ICON

ONE *by Penfolds* **MAX'S**
KOOUNGA HILL

Volume	NSR	NSR/9Le
3.0m 9le	\$1,001m	\$332
EBITS		EBITS %
\$421m		42%

Volume	NSR	NSR/9Le
1.8m 9le	\$684m	\$371
EBITS		EBITS %
\$225m		33%

Premium

% Group NSR | 42%

% Group EBITs | 21%

Global Premium Brands

Volume	NSR	NSR/9Le
17.6m 9le	\$1,230m	\$70
EBITS		EBITS %
\$170m		14%

Following completion of the global Premium brands operating model review, TWE intends to:

- Establish a Global Premium Brands division by 1 July 2025, through the combination of Treasury Premium Brands and Treasury Americas Premium portfolio brands, unlocking optionality for TWE to create additional future shareholder value; and
- Seek to divest its remaining Commercial brands, including Wolf Blass, Lindeman's, Yellowglen and Blossom Hill

Treasury Americas Luxury financials reflects the combination of F24 Treasury Americas Luxury brands (includes BV, Stags Leap, Frank Family Vineyards, Beringer, Etude) and DAOU (including 1H24 results prior to acquisition), including pro forma synergies of US\$20m. Global Premium division financials reflect the combination of F24 Treasury Premium Brands and Treasury Americas Premium brands, and includes the contribution of Commercial brands. Management estimates have been applied in relation to the allocation of overheads and remain subject to revision

Financial Performance

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Stuart Boxer
Chief Financial and Strategy Officer



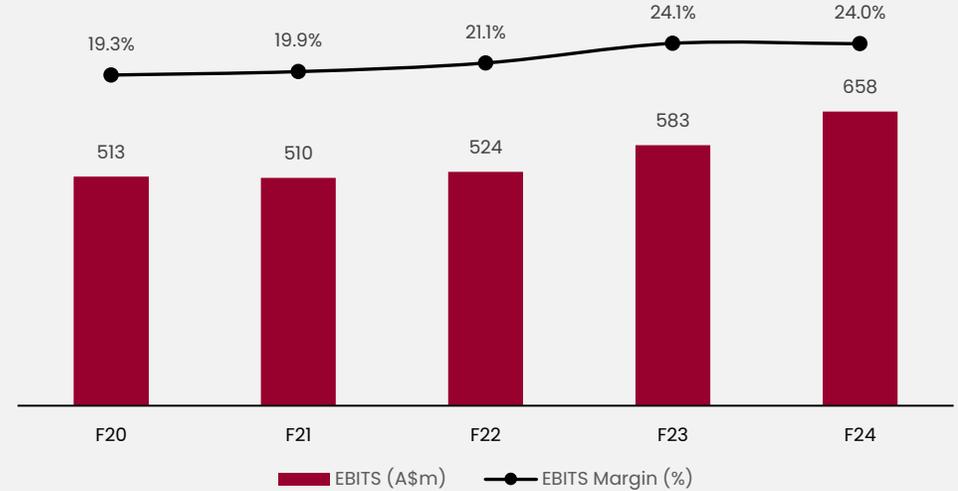
Key measures of performance¹

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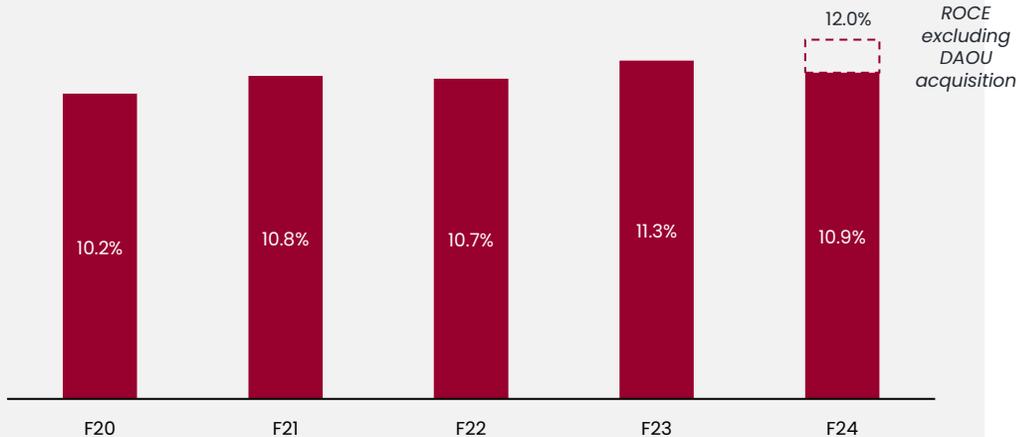
Group NSR (A\$m) and NSR per case



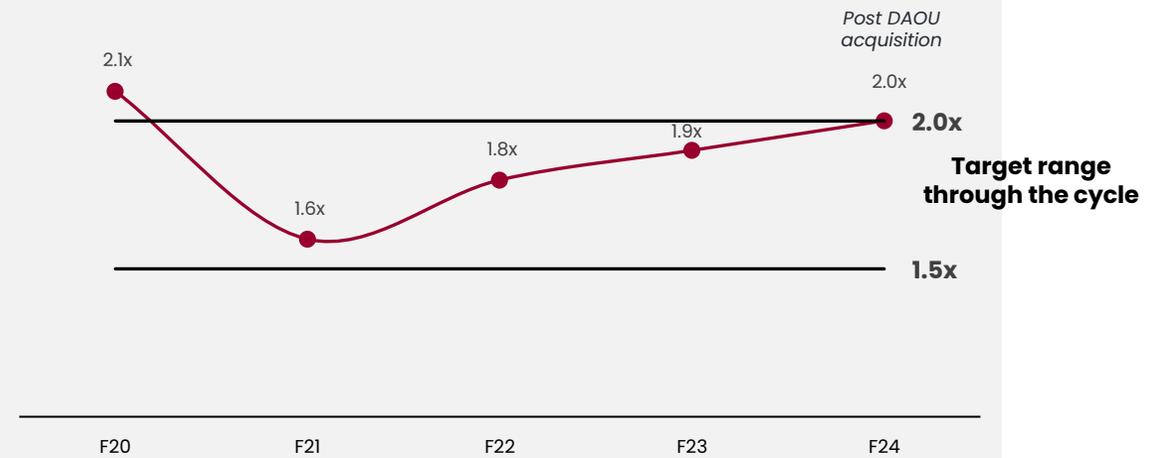
Group EBITs (A\$m) and EBITs margin



Return on Capital Employed (ROCE)²



Leverage (Net Debt to EBITDAs)



1. All figures and calculations are subject to rounding
 2. Capital employed excludes the impact of the Treasury Premium Brands impairment in all ROCE metrics stated throughout this document

Material items

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Material Items (A\$m)	Recognised prior to F24	Recognised in F24	Total projected one-off cost	Projected cash component	Projected non-cash component	Status
Treasury Premium Brands impairment (announced 6 August 2024)		(353.7)				
<i>Brands write-down</i>	-	(228.8)	(353.7)	-	(353.7)	Complete
<i>Goodwill write-down</i>		(115.0)				
<i>Commercial inventory write-down</i>		(9.9)				
Treasury Premium Brands operating model and Australian Commercial wine supply chain (announced 24 May 2023)	(128.1)	14.2	(90.0)¹	(25.0)	(65.0)	Now expected to be completed in F25; pending asset sales
Acquisition of DAOU (announced 31 October 2023)	-	(61.0)	(98.0)²	(98.0)	-	To complete in F25
<i>Transaction and integration costs</i>						
DAOU earn-out agreement³	-	(3.7)	-	-	-	
Total Material Items (pre-tax)		(404.2)				
Tax on Material Items		86.1				
Total Material Items (post-tax)		(318.1)				
Total Material Items cash flow		(71.7)				

1. Includes the expected gain on divestment of an Australian Commercial vineyard in F25
2. Includes transaction costs directly attributable to the entitlement offer of \$18.4m, which are a deduction to equity per AASB 132
3. Relates to the non-cash expense associated with the accounting recognition of the DAOU contingent earn-out plan, established as part of the acquisition. The \$(3.7)m is inclusive of the finance charge associated with the founders' portion of the earn-out, as well as the remuneration expense for the employee portion. Any P&L impacts relating to the earn-out are treated as material items.

Balance sheet^{1,2}

A\$m	F24 30-Jun-24	F23 30-Jun-23
Cash & cash equivalents	458.1	565.8
Receivables	694.9	612.9
Current inventories	1,020.5	990.3
Non-current inventories	1,339.1	1,175.3
Property, plant & equipment	1,816.1	1,576.8
Right of use lease assets	360.8	389.7
Agricultural assets	50.4	44.8
Intangibles	2,182.8	1,426.7
Tax assets	128.6	53.3
Assets held for sale	13.6	32.9
Other assets	47.9	85.2
Total assets	8,112.8	6,953.7
Payables	792.1	709.7
Interest bearing debt	1,645.2	1,388.6
Lease liabilities	513.3	548.9
Tax liabilities	364.6	264.3
Provisions	79.5	106.7
Other liabilities	107.3	56.8
Total liabilities	3,501.9	3,074.8
Net assets	4,610.9	3,878.9

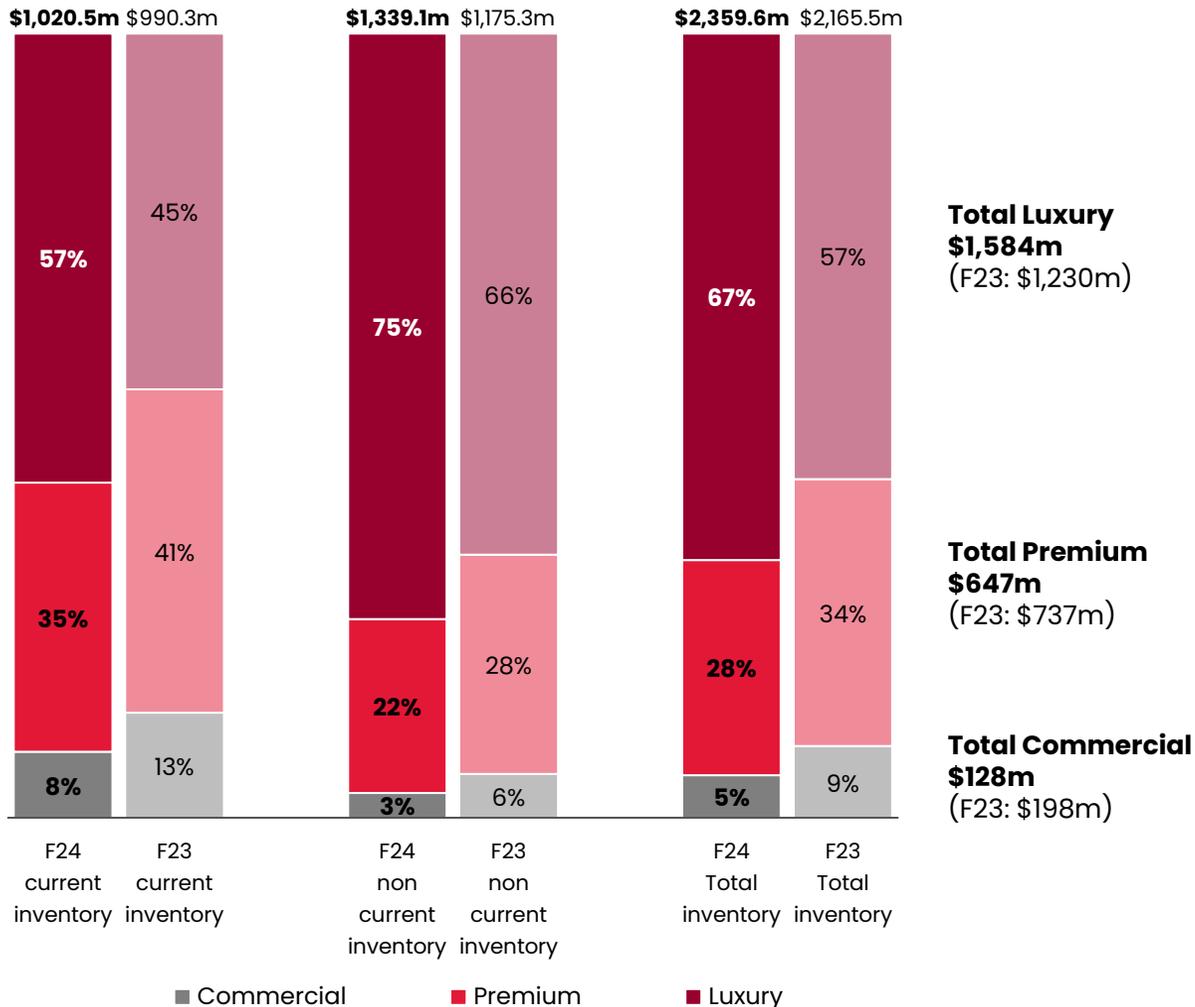
- Net assets increased \$732.0m on a reported currency basis in F24; adjusting for the movement in foreign exchange rates, net assets increased \$754.4m
- Working capital increased \$193.7m, driven by the acquisition of DAOU, higher receivables reflecting higher sales and increased inventory following the step-up in Luxury intake from the Australian and Californian vintages
- Intangibles increased \$756.1m, driven by the acquisition of DAOU (\$1,124.0m) and partly offset by the impairment of goodwill and primarily Commercial brands in Treasury Premium Brands (\$343.8m)
- Property, Plant and Equipment increased \$239.3m following the acquisition of DAOU and purchase of the Weta Vineyard in New Zealand
- Interest bearing debt increased \$256.6m, reflecting borrowings to part-fund the acquisition of DAOU

1. Unless otherwise stated, balance sheet percentage or dollar movements are from 30 June 2023 and on a reported currency basis.

2. Working capital balances may include items of payables and receivables which are not attributable to operating activities

Inventory analysis

Inventory at book value split by price segment^{1,2}



- Total inventory **volume** decreased 3% versus the pcp
- Total inventory **value** increased 9%:
 - Current inventory increased \$30.2m to \$1,020.5m, reflecting expected Luxury sales growth with improved COGS per case, partly offset by a reduction in Commercial and Premium inventory
 - Non-current inventory increased \$163.8m to \$1,339.1m, driven by higher Luxury inventory, including increased intake from the 2023 Californian and 2024 Australian vintages
 - Luxury inventory increased 29% to \$1,584m, of which approximately half relates to increased intake for key brands including Penfolds, Stags' Leap and Frank Family Vineyards, and the other half relating to DAOU

1. Inventory composition subject to rounding. Totals based on sum of Non-Current and Current Inventory
 2. TWE participates in three price segments: Luxury (A\$30+), Premium (A\$10-A\$30) and Commercial (below A\$10). Segment price points are retail shelf prices

Cash flow and net debt¹

A\$m (unless otherwise stated)	F24	F23
EBITDAS	813.3	730.8
Change in working capital	(138.5)	(274.9)
Other items	(8.3)	(12.8)
Net operating cash flows before financing costs, tax & material items	666.5	443.1
Cash conversion²	82.0%	60.6%
Payments for capital expenditure ³	(190.1)	(141.2)
Payments for subsidiaries	(1,204.6)	(55.8)
Proceeds from sale of assets	53.9	22.7
Cash flows after net capital expenditure, before financing costs, tax & material items	(674.2)	268.8
Finance costs paid	(111.1)	(73.8)
Tax paid	(31.2)	(69.8)
Cash flows before dividends & material items	(816.5)	125.3
Dividends/distribution paid	(260.6)	(245.4)
Cash flows after dividends before material items	(1,077.1)	(120.2)
Material item cash flows	(71.7)	34.5
On-market share purchases	(5.3)	(21.9)
Issue of shares, less transaction costs	807.0	-
Proceeds from settlement of currency swaps and other derivatives	19.4	-
Total cash flows from activities (before debt)	(327.7)	(107.6)
Net proceeds from borrowings	222.5	240.1
Total cash flows from activities	(105.2)	132.4
Opening net debt	(1,386.2)	(1,254.3)
Total cash flows from activities (above)	(327.7)	(107.6)
Lease liability additions	(27.1)	(27.9)
Lease liability disposed	-	44.0
Debt revaluation and foreign exchange movements	28.5	(40.4)
(Increase) / Decrease in net debt	(326.3)	(131.9)
Closing net debt⁴	(1,712.5)	(1,386.2)

1. All cash flow percentage or dollar movements from the previous corresponding period are on a reported currency basis.

2. Excludes changes in working capital related to the initial recognition of DAOU balances

3. Capital expenditure is net of proceeds from the disposal of lease assets; in F23 TWE purchased \$133.3m of vineyards from existing long-term lease arrangements, of which \$25.4m was retained and the remainder disposed

4. Net debt excludes fair value adjustments related to derivatives in a fair value hedge relationship on USPP notes: F24 \$(20.1)m, F23 \$(20.3)m.

- Cash conversion was 82.0% in F24:
 - Excluding the change in non-current Luxury and Premium inventory, cash conversion was 94.6%
 - Re-commencement of shipments to China in 4Q24, where there was a high proportion of cash sales, contributed to the stronger than expected outcome
 - TWE expects F25 cash conversion to be approximately 80%, excluding the change in non-current Luxury and Premium inventory, reflecting underlying growth and a moderation in the proportion of sales to China on cash terms
- The acquisition of DAOU was completed in December 2023 and funded via \$807m entitlement offer proceeds (net of transaction costs) and \$445m of debt, which drove the \$326.3m increase in Net Debt⁴ in F24 to \$1,712.5m
- Material items cash flows includes transaction costs related to the DAOU acquisition in addition to costs associated with the Treasury Premium Brands operating model changes and restructuring of the Australian Commercial wine supply chain

Capital expenditure

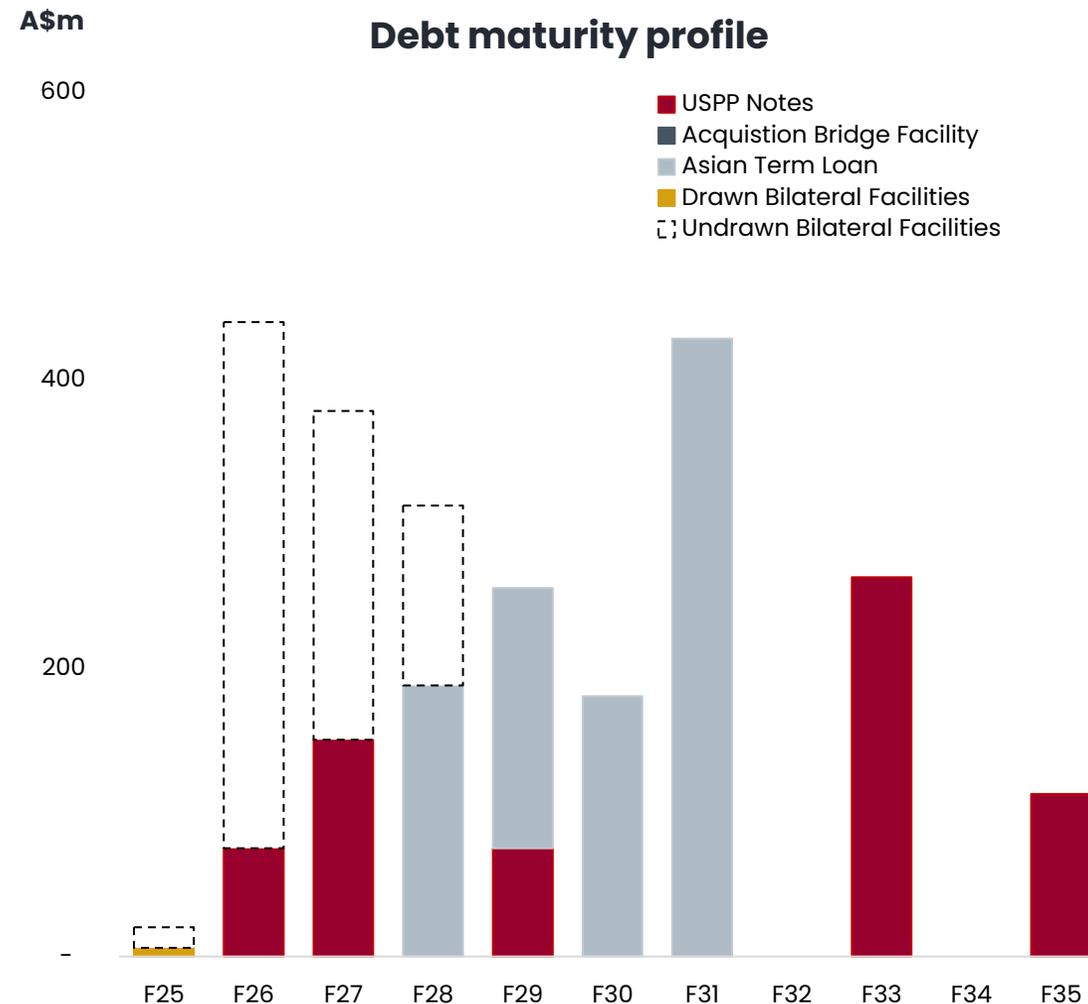
A\$m	F24	F23
Wine making equipment and facilities	34.3	31.0
Vineyard redevelopments	19.6	22.4
Sustainability	14.0	21.1
Technology	12.2	12.0
Oak purchases	1.2	7.6
Other capex	19.4	8.0
Maintenance and replacement capex	100.7	102.1
Growth capex	75.2	13.7
Purchase of leased vineyards¹	-	25.4
DAOU capex	14.2	-
Capex	190.1	141.2
Net lease liability movement	27.1	(16.1)

- Capital expenditure (capex) of \$190.1m in F24:
 - Maintenance & replacement capex of \$100.7m, including focus on ongoing upgrades to wine making equipment and facilities in the US and Australia
 - Other capex includes the repair of Sterling Vineyards assets that were damaged during the 2020 wildfires
 - Growth capex of \$75.2m, includes purchase of the Weta vineyard in New Zealand, investment in low/no alcohol wine production technology and the expansion of Penfolds winery operations in France
 - DAOU capex relates to winery and production related initiatives
- Ongoing expectation for maintenance and replacement capex of approximately \$100m, with up to \$50m of growth investment expected in F25, including the BV brand home refurbishment in Napa
- In addition to this TWE will continue to explore investment opportunities relating to Luxury vineyard and production assets in support of its Luxury portfolio growth strategy

Capital management

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- Efficient and flexible **investment grade capital structure**:
 - Net debt / EBITDAS¹ 2.0x at F24, inclusive of twelve months EBITDAS contribution for DAOU, with further deleveraging expected in F25
- Total **available liquidity** \$1.2bn, comprising cash \$458.1m and undrawn committed facilities of \$730.1m:
 - In 2H24, completed term extension for ~\$890m of existing debt commitments in addition to refinancing of the DAOU acquisition bridge facility via new US\$300m Asian Term Loan maturing June 2029 (US\$120m) and June 2031 (US\$180m)
 - Weighted duration of debt commitments 4.6 years, up 1.1 years, following completion of refinancing initiatives
- Strong capital and liquidity position enabling the **continued delivery of dividends**:
 - F24 final dividend 19.0 cents per share declared
 - Full year dividend in respect of F24 36.0 cents per share, representing a 72% NPAT payout ratio and a 16% increase in value on the pcg
 - Franking 70% following the acquisition of DAOU, given higher proportion of expected future offshore earnings



1. Ratio of total Net Borrowings to last twelve-month EBITDAS, includes capitalised leases in accordance with AASB16 Leases. Adjusted to include last twelve months EBITDAS for DAOU

Divisional Performance

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Tom King
Managing Director, Penfolds

Ben Dollard
President, Treasury Americas

Angus Lilley
Managing Director,
Treasury Premium Brands

Top-line growth delivered across all Luxury portfolio tiers, led by continued strength in Asia

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	F24	Reported Currency		Constant Currency	
		F23	%	F23	%
Volume (m 9Le)	3.0	2.3	30.4%	2.3	30.4%
NSR (A\$m)	1,000.5	819.7	22.1%	825.3	21.2%
ANZ	255.8	235.9	8.5%	235.9	8.4%
Asia	629.6	467.4	34.7%	466.8	34.9%
Americas	48.2	51.5	(6.4)%	52.6	(8.3)%
EMEA	66.9	65.0	2.9%	70.0	(4.4)%
NSR per case (A\$)	331.7	354.4	(6.4)%	356.8	(7.0)%
EBITS (A\$m)	421.3	364.7	15.5%	363.0	16.1%
EBITS margin (%)	42.1%	44.5%	(2.4)ppts	44.0%	(1.9)ppts

Performance summary¹

- EBITs increased 16.1% and EBITs margin declined 1.9ppts to 42.1%:
 - Strong top-line growth across all portfolio tiers, with weighting of Bin & Icon shipments to 2H24 completed as planned
 - Continued strong momentum in Asia a highlight, including the commencement of Australian COO portfolio shipments to China in 4Q24
- Decline in EBITs margin driven by growth of entry-level Luxury tiers and higher onshore overhead costs in China through 4Q24
- Re-establishment of Australian COO portfolio in China on-track, with strong shipment demand from customers and initial depletions in line with expectations
- Penfolds expects to deliver low double-digit EBITs growth in F25, reflecting:
 - Top-line growth for the Bin & Icon portfolio, including the benefit of price increases
 - Partly offset by a step-up in brand building investment and overheads in China ahead of increased Bin & Icon portfolio availability from F26
 - EBITs margin delivery in the range of 43-45%

1. Unless otherwise stated, all figures and percentage movements are stated on a constant currency basis versus the prior corresponding period and are subject to rounding

Treasury Americas

Strong top-line growth from the leading US Luxury wine portfolio

	Reported Currency			Constant Currency		
	F24	F23	%	F23	%	% Organic ²
Volume (m 9Le)	6.0	5.5	9.7%	5.5	9.7%	(0.5)%
NSR (A\$m)	1,002.3	820.8	22.1%	839.4	19.4%	0.6%
ANZ	-	-	-	-	-	-
Asia	-	-	-	-	-	-
Americas	1,002.3	820.8	22.1%	839.4	19.4%	0.6%
EMEA	-	-	-	-	-	-
NSR per case (A\$)	167.0	150.0	11.3%	153.4	8.9%	1.1%
EBITS (A\$m)	230.5	203.9	13.1%	212.7	8.4%	(9.2)%
EBITS margin (%)	23.0%	24.8%	(1.8)ppts	25.3%	(2.3)ppts	(2.5)ppts

Performance summary¹

- EBITs increased 8.4% and EBITs margin declined 2.3ppts to 23.0%:
 - Strong Luxury portfolio growth, with organic NSR increasing 11.4%, driven by Stags' Leap and Frank Family Vineyards, in addition to the 2H24 contribution of DAOU (US\$104.2m)
 - Partly offset by the 5.5% NSR decline across the remainder of the Treasury Americas portfolio, driven by reduced shipments of 19 Crimes Modern tier innovations launched in the pcp
 - Depletions exceeded shipments by 0.2m cases, driven by distributor inventory de-load across some Premium brands
- Decline in EBITs margin driven by higher COGS from the wildfire impacted 2020 Californian vintage, with improvement in 2H24 upon transition to the 2021 vintage
- DAOU's 2H24 EBITs of US\$24.7m were in line with expectations
- In F25, Treasury Americas is focused on completing integration and continuing the strong growth momentum for DAOU, delivering growth across the other Luxury portfolio brands (supported by a double digit increase in availability) and delivering stability across the remaining portfolio brands. EBITs delivery is expected to be balanced across F25, with EBITs margin expected to improve towards the long-term target in the high-20% range

1. Unless otherwise stated, all figures and percentage movements are stated on a constant currency basis versus the prior corresponding period and are subject to rounding

2. % organic refers to percentage movement from the prior year on a constant currency basis, excluding the contribution of DAOU in Treasury Americas.

Treasury Premium Brands

Commercial and Premium portfolio declines drive lower EBITs delivery

A\$m	F24	Reported Currency		Constant Currency	
		F23	%	F23	%
Volume (m 9Le)	12.9	14.3	(10.1)%	14.3	(10.1)%
NSR	737.0	782.4	(5.8)%	809.3	(8.9)%
ANZ	345.7	367.2	(5.9)%	367.6	(6.0)%
Asia	49.4	73.0	(32.3)%	74.4	(33.6)%
Americas	27.0	27.4	(1.6)%	28.1	(4.0)%
EMEA	314.9	314.8	0.0%	339.2	(7.2)%
NSR per case (A\$)	57.3	54.7	4.7%	56.6	1.3%
EBITs (A\$m)	76.0	81.7	(7.0)%	91.3	(16.7)%
EBITs margin (%)	10.3%	10.4%	(0.1)ppts	11.3%	(1.0)ppts

Performance summary¹

- EBITs declined 16.7% and EBITs margin declined 1.0ppt to 10.3%:
 - Double-digit declines in Commercial shipments and reduced Premium shipments reflect soft consumption trends in the below \$15 price points in addition to underperformance relative to the category, particularly in 2H24
 - Reduced shipments to Asia reflect the re-alignment of inventory levels to trend depletion rates
- Priority Premium brands, including 19 Crimes, Squealing Pig and Pepperjack, remained in growth in F24
- Trading conditions are expected to remain consistent throughout Treasury Premium Brands' key markets in F25, supporting top-line stability and the delivery of EBITs (excluding the one-off benefits of asset sales in F24) broadly in line with the pcp²

1. Unless otherwise stated, all figures and percentage movements are stated on a constant currency basis versus the prior corresponding period and are subject to rounding
 2. F25 expectations exclude any impact from potential divestment of the Commercial brand portfolio

Outlook



Tim Ford
Chief Executive Officer

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Summary and outlook

- In F24, strong Luxury portfolio momentum in Penfolds and Treasury Americas drove NSR and EBITs growth, partly offset by the impact of reduced Premium and Commercial shipments in Treasury Premium Brands

TWE expects to deliver EBITs in the range of \$780-810m in F25, with top-line growth to be driven by continued strong momentum across TWE's Luxury brand portfolio and execution focused on three clear priorities:

- Continuing Penfolds well-established strategy of growing distribution and availability, and consumer demand, in key global markets in addition to its focus on re-establishing the Australian COO portfolio and investment in China ahead of increased Bin & Icon portfolio availability from F26
- Driving Treasury Americas market-leading US Luxury platform to continue DAOU's strong growth momentum and to deliver growth across the remainder of the Luxury portfolio brands, supported by a double-digit increase in portfolio availability; and
- Improving the execution focus and operating performance of the Premium brand portfolios ahead of transition to the single, Global Premium division in F26

Questions

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Supplementary Information

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DAOU F24 performance

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Metric	<u>2H24</u>	<u>F24</u>
Volume (m 9le)	0.6	1.2
NSR (A\$m)	158.0	332.5
EBITS (A\$m)	37.4	95.3

TWE's F24 result also included DAOU's contribution between 12 December 2024 and 31 December 2024, which was immaterial. Note that F24 metrics include those from 1H24, prior to acquisition by TWE, which are not recognised within TWE's F24 results.

Impact of foreign exchange and hedging

F24 EBITs constant currency impact

Currency	CFX Impact (A\$m)		Total
	Underlying	Hedging ¹	
AUD/USD and AUD/GBP	19.8	(2.6)	17.2
Net other currencies	(1.9)	0.2	(1.7)
F24	17.9	(2.4)	15.5
AUD/USD and AUD/GBP	25.2	(5.1)	20.1
Net other currencies	(7.7)	1.4	(6.3)
F23	17.5	(3.7)	13.8

F25 EBITs sensitivity and risk management

Currency Pair	Primary Exposure	Movement	EBITs Sensitivity (A\$m)
AUD/USD	COGS, EBITs	+ 1%	(4.2)
AUD/GBP	COGS, EBITs	+ 1%	(1.2)
CAD/USD	NSR	+ 1%	0.5
EUR/GBP	NSR, COGS	+ 1%	0.7

- \$15.5m favourable constant currency impact (comprising transaction and translation impacts)
- TWE has a diversified portfolio of currency exposures where production cost currencies and revenue generating currencies are not matched
 - \$7.2m favourable impact from depreciation of the AUD relative to the USD and \$12.6m favourable impact from AUD against GBP. Partially offsetting this was \$1.9m adverse impact reflecting movements in TWE's other key currency exposures²
 - \$2.4m relative negative impact from hedging in F24 versus the prior period

- The sensitivity of EBITs to a 1% change in primary cost and revenue currencies is shown in the accompanying table (which excludes the potential impact of currency hedging)
- TWE maintains an active foreign exchange risk management strategy, focused on the transactional exposures associated with the Commercial and Premium price segments:
 - AUD/GBP approximately 60% of F25 exposure protected against appreciation of the exchange rate above 0.54
 - AUD/USD: approximately 80% of F25 exposure protected against appreciation of the exchange rate above 0.70

1. CFX hedging impact relative to the prior year

2. USD relative to the CAD and NZD in Treasury Americas, GBP relative to the EUR, SEK and NOK in Treasury Premium Brands, AUD relative to Asian currency pairs in Penfolds

Reconciliation of key performance measures

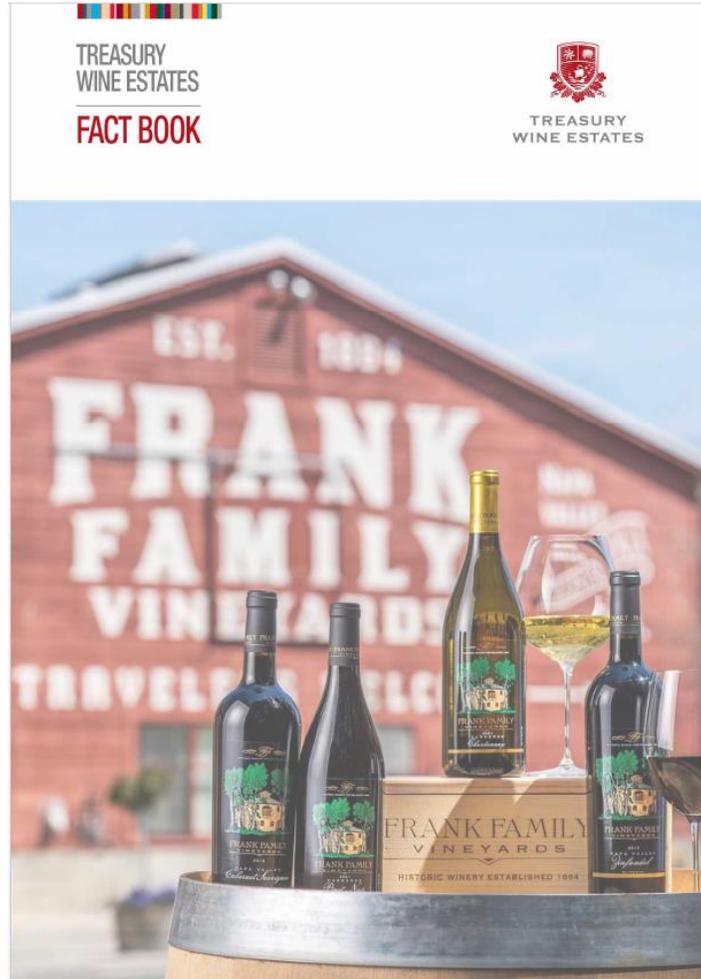
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Metric (A\$m unless otherwise stated)	Management calculation	F24	F23
EBITS	Statutory net profit	98.9	254.3
	Income tax expense	69.3	82.8
	Net finance costs	96.6	72.7
	Material items (gain) / loss	404.2	109.2
	SGARA (gain) / loss	(10.9)	64.5
	EBITS	658.1	583.5
EBITDAS	EBITS	658.1	583.5
	Depreciation & Amortisation	155.2	147.3
	EBITDAS	813.3	730.8
EPS ^{1,2}	Statutory net profit attributable to members of Treasury Wine Estates Limited	98.9	254.5
	Material items (gain) / loss	404.2	109.2
	Tax on material items	(86.1)	(33.2)
	SGARA	(10.9)	64.5
	Tax on SGARA	1.4	(18.9)
	NPAT (before material items & SGARA)	407.5	376.1
	Weighted average number of shares (millions)	778.8	728.7
	EPS (cents)	52.3	51.6
ROCE ⁴	EBITS (LTM) ³	716.0	583.5
	Net assets	4,610.9	3,878.9
	Add: TPB impairment	289.8	-
	SGARA in inventory	(43.5)	(37.8)
	Net debt	1,712.5	1,386.2
	Capital employed – Current year	6,569.7	5,227.4
	Net assets (CFX)	4,782.3	3,875.7
	SGARA in inventory (CFX)	(37.8)	(44.9)
	Net debt (CFX)	1,827.1	1,285.2
	Capital employed – Prior year (CFX)⁵	6,571.6	5,116.0
Average capital employed	6,570.7	5,171.7	
	ROCE	10.9%	11.3%

1. Excludes earnings attributable to non-controlling interests
2. Earnings per share for the year ended 30 June 2023 has been restated, in accordance with AASB 133, for the dilutive effects of the rights issue executed during the current financial year to ensure consistency period on period. Refer to Note 7 of the financial statements within the 2024 Annual Report for details
3. Includes 1H24 DAOU EBITs, prior to acquisition by TWE
4. Capital employed excludes the impact of the Treasury Premium Brands impairment in all ROCE metrics stated throughout this document.
5. F24 Capital employed – Prior year (CFX) includes adjustment to net assets and debt for the acquisition of DAOU to be on a consistent basis

2024 Fact Book

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For further information on Treasury Wine Estates, please refer to our 2024 Fact Book, which is available at [tweglobal.com](https://www.tweglobal.com)

Definitions

9Le	9 litre equivalent case
Cash conversion*	Net operating cash flows before financing costs, tax and material items divided by EBITDAS
CFX	Constant foreign exchange rates
COO	Country of origin
CODB*	Cost of doing business. Gross profit less EBITs. Excludes non-cash items as well as tax, the cost of the Group's capital structure and non-operating transactions as a measure of underlying operational costs
COGS*	Cost of goods sold
Commercial wine	Wine that is sold at a price point below A\$10 (or equivalent) per bottle
EPS*	Earnings per share
EBITDAS*	Earnings before interest, tax, depreciation, amortization, material items and SGARA
EBITS*	Earnings before interest, tax, material items and SGARA
EBITS margin*	EBITS divided by net sales revenue
Exchange rates	Average exchange rates used for profit and loss purposes in F24: AUD/USD 0.6558 (F23: AUD/USD 0.6732), AUD/GBP 0.5206 (F23: AUD/GBP 0.5594) Period end exchange rates used for balance sheet items in F24: AUD/USD 0.6646 (F23: AUD/USD 0.6620), AUD/GBP 0.5258 (F23: AUD/GBP 0.5249)
Luxury wine	Wine that is sold at a price point above A\$30 (or equivalent) per bottle
Material items*	Items of income or expense which have been determined as being sufficiently significant by their size, nature or incidence and are disclosed separately to assist in understanding the Group's financial performance
Net debt to EBITDAS*	Ratio of Net Debt to EBITDAS includes, capitalised leases per <i>AASB 16 Leases</i>
NPAT	Net profit after tax
NPD	New product development
NSR	Net sales revenue
Premium wine	Wine that is sold at a price point between A\$10 and A\$30 (or equivalent) per bottle.
ROCE*	Return on Capital Employed. EBITs divided by Capital Employed (at constant currency). Capital Employed is the sum of average net assets (adjusted for SGARA) and average net debt.
SGARA	Self-generating and re-generating assets. SGARA represents the difference between the fair value of harvested grapes (as determined under AASB 141 Agriculture) and the cost of harvest. The fair value gain or loss is excluded from Management EBITs so that earnings can be assessed based on the cost of harvested grapes, rather than their fair value. This approach results in a better reflection of the true nature of TWE's consumer branded and FMCG business and improved comparability with domestic and global peers.

* Non-IFRS measure