TREASURY WINE ESTATES

13 February 2025 **ASX ANNOUNCEMENT**

2025 Interim 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 (AEDT) on 13 February 2025. Links to register for the conference are provided in the 2025 Interim 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

F25 Interim Results

13 FEBRUARY 2025

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, the Appendix 4D and 2025 Interim Results, 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.

TWE

Introduction

Tim Ford
Chief Executive Officer

Key Messages[1]

- TWE's Luxury-led focus delivers strong performance in 1H25, with growth for Penfolds and the contribution from DAOU in Treasury Americas partly offset by lower shipments in Treasury Premium Brands:
  - EBITS grew 35.1% to $391.4m and EBITS margin increased 2.8ppts to 25.3%
  - Luxury NSR increased 52.0% (18.2% organic growth[2]) and now represents 55.8% of Group NSR
  - Combined, NSR for TWE's Premium and Commercial portfolios declined 4.9%, reflecting continued softness in consumer demand for wine at lower price points
  - On an organic basis, Group NSR increased 5.1%[2]
- Penfolds delivers an outstanding result, with strong growth in Bin & Icon portfolio shipments to Asia reflecting the re-establishment of the Australian COO portfolio in China and continued momentum in other Asian markets
- In Treasury Americas, DAOU NSR grew 11.2% versus the pcp[3] and business integration is progressing to plan:
  - Acquisition synergies now expected to be approximately US$35m, up from the previous guidance of US$20m+
- TWE is progressing preparations for the transition to a Global Premium division from the commencement of F26
- Following completion of the process to explore divestment of the Commercial portfolio, TWE has concluded that the offers received do not represent compelling value and that retention of these brands is the best course of action
- F25 EBITS expected to be approximately $780m, which is at the lower end of the previously guided range of $780-810m, driven primarily by reduced expectations for Treasury Premium Brands

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. Organic refers to percentage movement from the prior year, excluding the contribution of DAOU in Treasury Americas
3. DAOU NSR growth based on F24 DAOU metrics as disclosed in August 2024. 1H24 growth rates are presented on a like for like basis and include results prior to acquisition

1H25 Financial Highlights[1,2,3]

Financial performance reflects quality of earnings and strengthened metrics from the Luxury-led focus

NSR
$1.5bn ▲ 20.2% reported
▲ 5.1% organic[4]

NSR per case
$137.5 ▲ 16.1%

EBITS
$391.4m ▲ 35.1%

EBITS margin
25.3% ▲ 2.8 ppts

NPAT
$239.6m ▲ 31.5%

EPS
29.5cps ▲ 20.1%

Cash conversion
90.4% ▲ 15.2 ppts

Net Debt / EBITDAS[5]
2.0x ▼ 0.2x

ROCE
11.2% ▲ 0.1 ppts

Interim dividend
20.0cps ▲ 17.6%

Luxury contribution to global NSR
56% ▲ 12 ppts

1. 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. Organic refers to percentage movement from the prior year, excluding the contribution of DAOU in Treasury Americas
5. Net debt to EBITDAS includes capitalised leases in accordance with AASB 16 Leases

1H25 Divisional performance

Topline growth driven by Penfolds and DAOU

	Penfolds			Treasury Americas				Treasury Premium Brands		
Metric[1, 2]	**1H25**	**% pcp**	**% CFX**	**1H25**	**% pcp**	**% CFX**	**% Organic[3]**	**1H25**	**% pcp**	**% CFX**
NSR (A$m)	557.4	24.4%	24.2%	631.1	41.0%	42.2%	(1.5)%	355.7	(8.4)%	(8.6)%
NSR per case (A$)	373.0	10.6%	10.5%	184.0	15.5%	16.5%	0.9%	56.4	(2.6)%	(2.8)%
EBITS (A$m)	250.2	33.9%	33.3%	155.3	66.9%	69.8%	n/a	22.9	(49.9)%	(48.9)%
EBITS margin	44.9%	3.2ppts	3.0ppts	24.6%	3.8ppts	4.0ppts	n/a	6.4%	(5.3)ppts	(5.1)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. Given the full business integration of DAOU into Treasury Americas, including amalgamation of overheads, the measurement of organic performance is limited to Volume and NSR

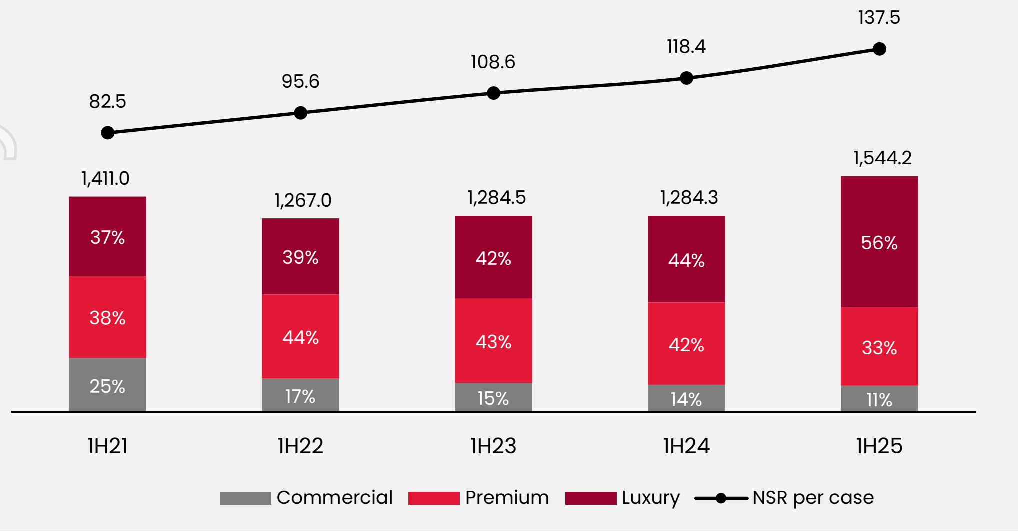
Financial Performance

Chief Financial and Strategy Officer

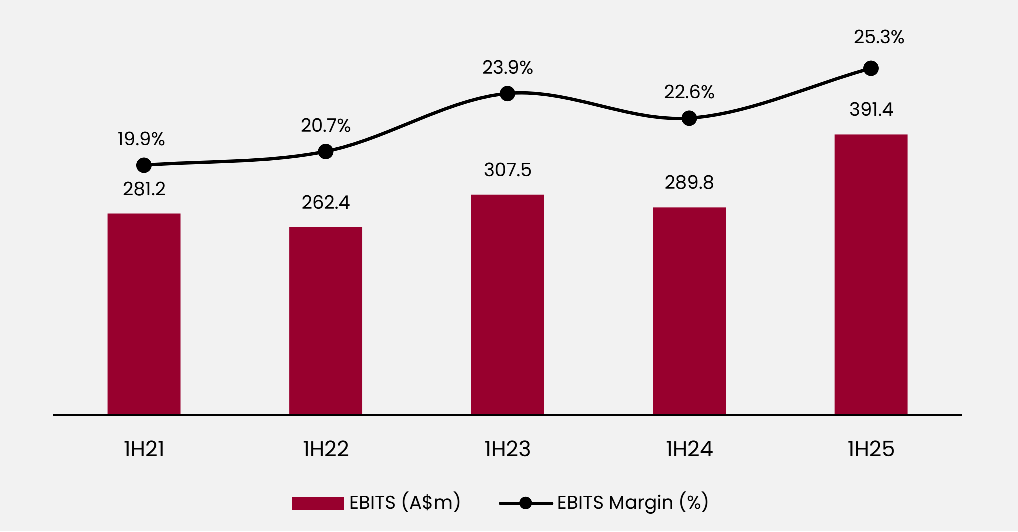
Stuart Boxer
Chief Financial and Strategy Officer

Key measures of performance[1]

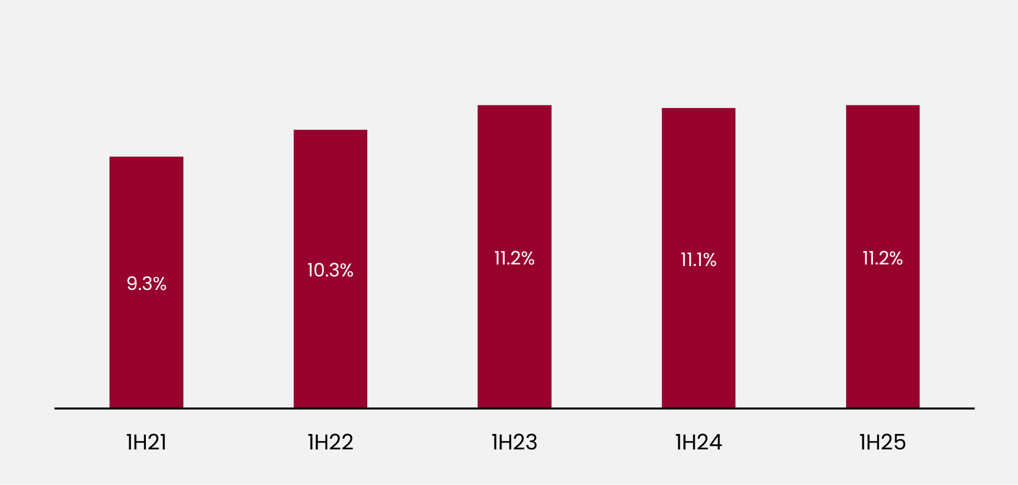
Group NSR (A$m) and NSR per case



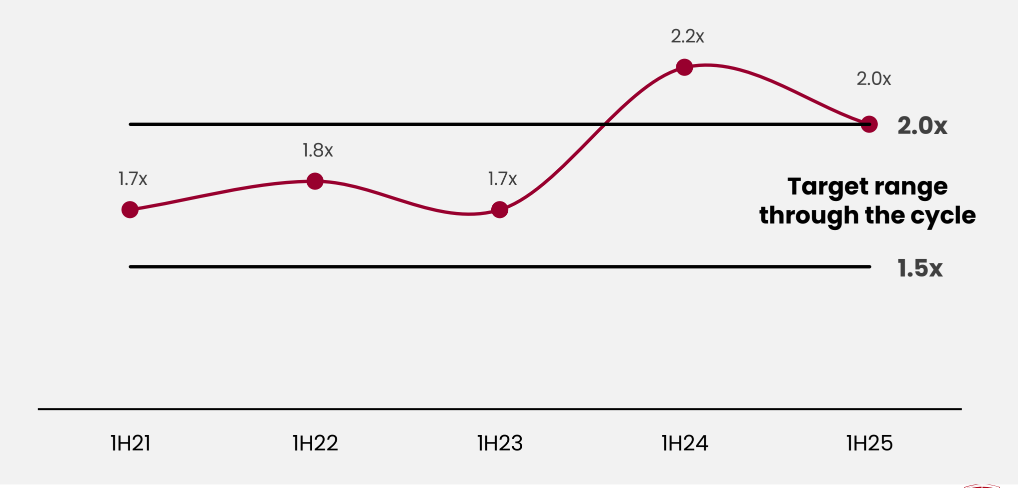
Group EBITS (A$m) and EBITS margin



Return on Capital Employed (ROCE)



Leverage (Net Debt to EBITDAS)



1. All figures and calculations are subject to rounding

TWE

Material items

Material Items (A$m)	Recognised prior to 1H25	Recognised in 1H25	Total projected one-off cost	Projected cash component	Projected non-cash component	Status
Treasury Premium Brands operating model and Australian Commercial wine supply chain (announced 24 May 2023)	**(113.9)**	**7.5**	**(90.0)**[1]	**(25.0)**	**(65.0)**	To complete in 2H25; pending asset sales
Acquisition of DAOU (announced 31 October 2023)						
Transaction and integration costs	**(79.4)**[2]	**(3.3)**	**(98.0)**[2]	**(98.0)**	**-**	To complete in 2H25
DAOU earn-out agreement[3]	**(3.7)**	**(4.0)**	**-**	**-**	**-**	
Total Material Items (pre-tax)		**0.2**				
Tax on Material Items		(8.2)[4]				
Total Material Items (post-tax)		**(8.0)**				
Total Material Items cash flow		**(4.1)**				

1. Includes the expected gain on divestment of an Australian Commercial vineyard in 2H25
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 amount recognised 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
4. Tax expense primarily relates to the tax benefit on the capital loss pertaining to the divestment of assets in Australia which has not been recognised

Balance sheet[1,2]

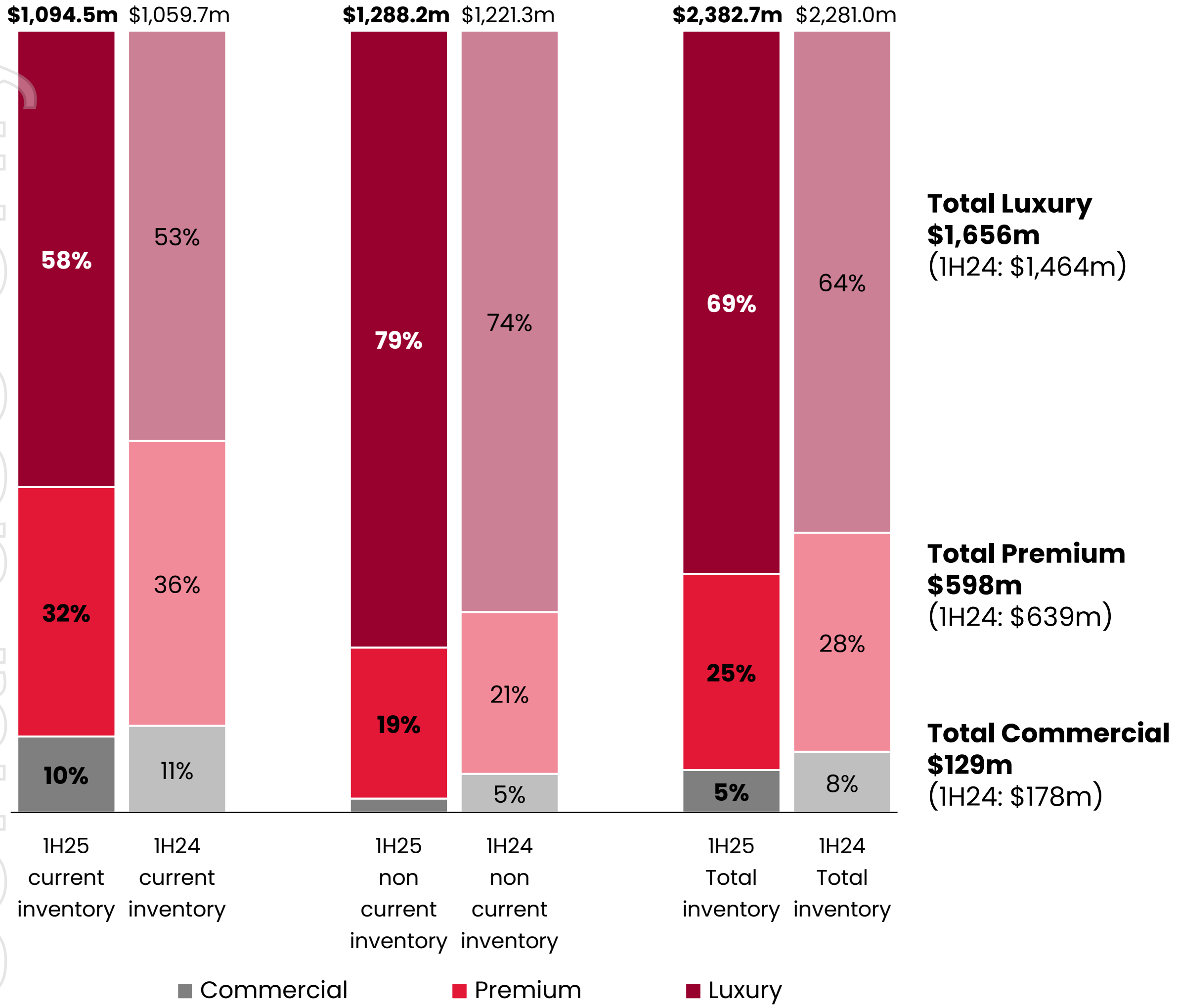
A$m	1H25 31-Dec-24	F24 30-Jun-24	1H24[3] 31-Dec-23
Cash & cash equivalents	474.7	458.1	436.4
Receivables	785.4	694.9	737.5
Current inventory	1,094.5	1,020.5	1,059.7
Non-current inventory	1,288.2	1,339.1	1,221.3
Property, plant & equipment	1,886.8	1,816.1	1,701.9
Right of use lease assets	400.9	360.8	382.7
Agricultural assets	27.4	50.4	24.8
Intangibles	2,299.5	2,182.8	2,448.1
Tax assets	32.2	36.9	153.2
Assets held for sale	7.3	13.6	22.6
Other assets	94.9	47.9	42.1
Total assets	**8,392.0**	**8,021.1**	**8,230.3**
Payables	723.2	792.1	691.4
Interest bearing debt	1,780.8	1,645.2	1,600.4
Lease liabilities	558.2	513.3	531.9
Tax liabilities	285.6	272.9	392.0
Provisions	70.6	79.5	97.5
Other liabilities	99.3	107.3	159.3
Total liabilities	**3,517.7**	**3,410.2**	**3,472.6**
Net assets	**4,874.3**	**4,610.9**	**4,757.7**

- Net assets increased $263.4m to $4,874.3m at 31 December 2024. Adjusting for foreign currency movements, net assets increased by $63.3m
- Working capital increased $182.5m driven by foreign currency movements, higher Receivables reflecting NSR growth and a decline in Payables which was in line with the seasonal timing of grower payments
- Property, Plant & Equipment increased $70.7m and Intangibles increased $116.7, both driven by foreign currency movements
- Net borrowings (including Lease Liabilities) increased $163.9m, driven by adverse foreign currency movements on USD denominated borrowings and vineyard lease renewals in Australia

1. Unless otherwise stated, balance sheet percentage or dollar movements are from 30 June 2024 and on a reported currency basis.
2. Working capital balances may include items of payables and receivables which are not attributable to operating activities
3. 1H24 as previously reported and does not reflect the final purchase price accounting for DAOU

Inventory analysis

Inventory at book value split by price segment[1,2,3]



- Total inventory **volume** decreased 15% versus the pcp reflecting reduced Commercial and Premium portfolio inventory
- Total inventory **value** increased 4%:
  - Current inventory increased $34.8m to $1,094.5m, reflecting higher Luxury inventory, partly offset by moderated expectations for the Commercial and Premium portfolios
  - Non-current inventory increased $66.9m to $1,288.2m, driven by strong Luxury intake from the 2024 California vintage
  - Luxury inventory increased 13% to $1,656m, reflecting increased intake for key brands including Penfolds, DAOU, Frank Family Vineyards and Stags' Leap
  - Foreign currency movement also contributed to the increase in inventory value

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
3. 1H24 as previously reported and does not reflect the final purchase price accounting for DAOU

Cash flow and net debt[1]

A$m (unless otherwise stated)	1H25	1H24[3]
EBITDAS	**473.1**	**364.6**
Change in working capital	(36.6)	(93.3)
Other items	(8.7)	2.9
Net operating cash flows before financing costs, tax & material items	**427.8**	**274.2**
Cash conversion[2]	**90.4%**	**75.2%**
Payments for capital expenditure[3]	(78.0)	(66.1)
Payments for subsidiaries	-	(1,206.0)
Proceeds from sale of assets	0.5	34.3
Cash flows after net capital expenditure, before financing costs, tax & material items	**350.3**	**(963.7)**
Finance costs paid	(59.4)	(52.5)
Tax paid	(90.0)	(27.0)
Cash flows before dividends & material items	**200.9**	**(1,043.2)**
Dividends/distribution paid	(154.2)	(122.7)
Cash flows after dividends before material items	**46.7**	**(1,165.9)**
Material item cash flows	(4.1)	(7.0)
On-market share purchases	(16.8)	-
Issue of shares, less transaction costs	-	807.1
Proceeds from settlement of currency swaps and other derivatives	-	19.4
Total cash flows from activities (before debt)	**25.8**	**(346.4)**
Net (repayment) / proceeds from borrowings	(15.2)	223.2
Total cash flows from activities	**10.6**	**(123.1)**
Opening net debt	**(1,712.5)**	**(1,386.2)**
Total cash flows from activities (above)	25.8	(346.4)
Lease liability additions	(52.7)	(18.8)
Lease liability disposed	-	-
Debt revaluation and foreign exchange movements	(132.2)	42.5
(Increase) / Decrease in net debt	**(159.1)**	**(322.6)**
Closing net debt[2]	**(1,871.6)**	**(1,708.8)**

- Net operating cash flow grew 56.0% and cash conversion was 90.4% in 1H25:
  - Excluding the change in non-current Luxury and Premium inventory, cash conversion was 83.8%, driven by favourable phasing of Penfolds shipments
  - TWE continues to expect F25 cash conversion to be approximately 80%, excluding the change in non-current Luxury and Premium inventory

1. All cash flow percentage or dollar movements from the previous corresponding period are on a reported currency basis
2. Net debt excludes fair value adjustments related to derivatives in a fair value hedge relationship on long-term USD denominated borrowings: 1H25 $(15.7)m, 1H24 $(21.7)m
3. 1H24 as previously reported and does not reflect the final purchase price accounting for DAOU

TWE

Capital expenditure

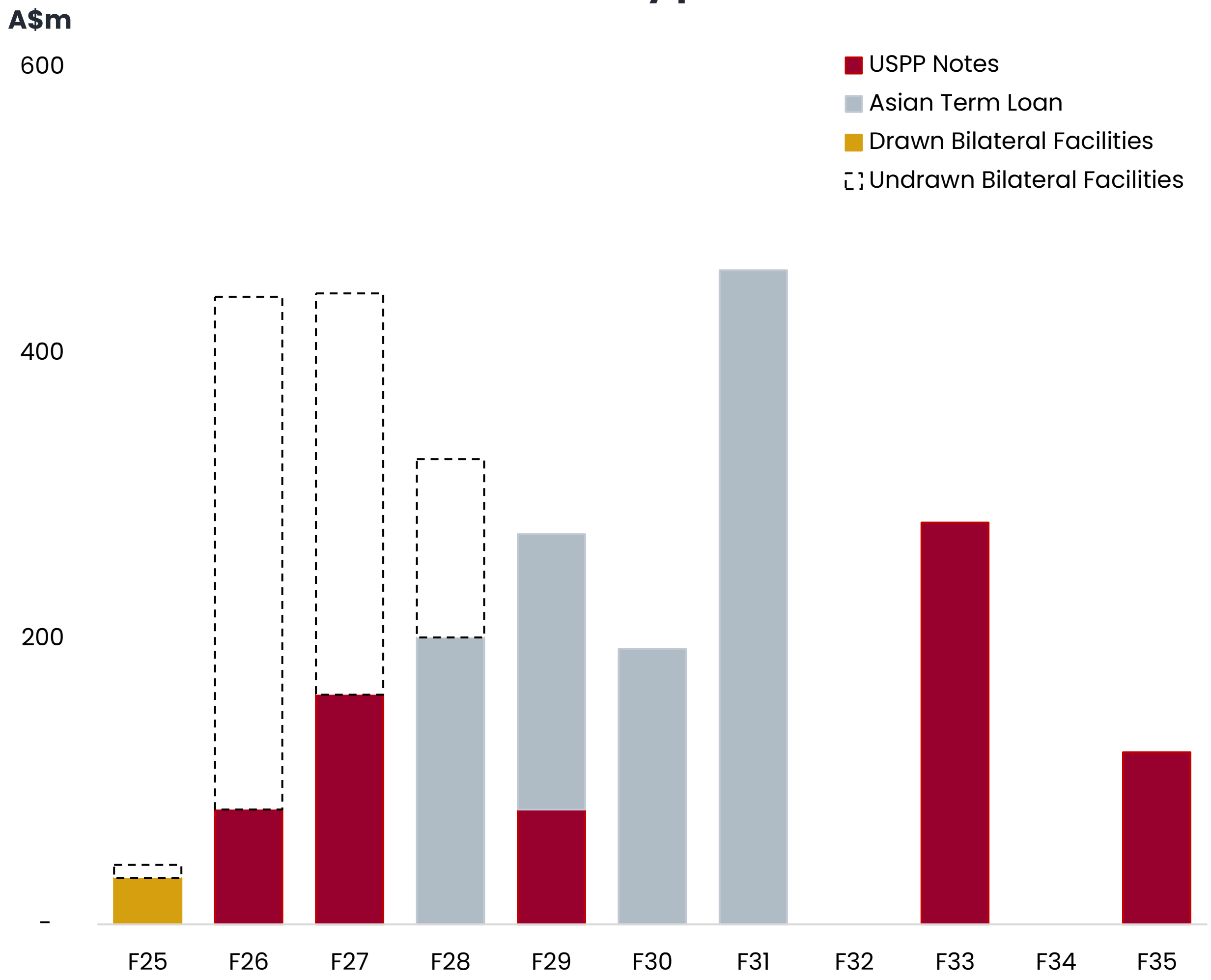
A$m	1H25	1H24
Wine making equipment and facilities	19.1	19.6
Vineyard redevelopments	9.8	14.8
Sustainability	10.5	2.0
Technology	5.3	6.6
Oak purchases	0.5	0.6
Other capex	7.9	16.3
Maintenance and replacement capex	**53.2**	**59.9**
Growth capex	**24.8**	**6.2**
Capex	**78.0**	**66.1**
Net lease liability movement	52.7	18.8

- Capital expenditure (capex) of $78.0m in 1H25:
  - Maintenance & replacement capex of $53.2m, including focus on ongoing upgrades to wine making equipment and facilities in the US and Australia, and sustainability initiatives
  - Growth capex of $24.8m, includes purchase of Luxury vineyards in Australia, investment in low/no alcohol wine production technology, the BV brand home refurbishment in Napa and the expansion of Penfolds winery operations in France
- Ongoing expectation for maintenance and replacement capex of approximately $100m, with up to $65m of growth investment expected in F25, which includes investments in Luxury vineyard and production assets
  - Excludes the acquisition of Stone & Moon for RMB 130m (~$27.5m), which is expected to be an acquired subsidiary upon completion in 2H25

Capital management

- TWE's investment grade capital structure remains efficient and flexible:
  - Net debt / EBITDAS[1] 2.0x at 1H25 (unchanged), impacted by adverse foreign currency movements on the Group's USD borrowings; full year Leverage is expected to be towards the upper end of TWE's 1.5-2.0x target range
- Total available liquidity of $1.2bn at Dec-24:
  - Comprising cash of $474.7m and undrawn committed facilities of $752.3m
  - Weighted duration of debt commitments 4.3 years
- Growing returns for shareholders is a key capital allocation priority:
  - F25 interim dividend of 20.0 cents per share declared, franked to 70%, representing growth of 17.6% versus the pcp
  - Payout ratio 68%, in line with TWE's long-term target dividend range of 55-70% NPAT[2]

Debt maturity profile



1. Ratio of total Net Borrowings to last twelve-month EBITDAS, includes capitalised leases in accordance with *AASB16 Leases*
2. Pre SGARA and material items

Divisional Performance

Tom King
Managing Director, Penfolds

Ben Dollard
President, Treasury Americas

Angus Lilley
Managing Director,
Treasury Premium Brands

Penfolds

Continued positive momentum in Asia led by re-establishment of Australian COO portfolio in China

		Reported Currency		Constant Currency	
	1H25	**1H24**	**%**	**1H24**	**%**
Volume (m 9Le)	**1.5**	**1.3**	**12.5%**	**1.3**	**12.5%**
NSR (A$m)	**557.4**	**448.1**	**24.4%**	**448.6**	**24.2%**
ANZ	119.9	124.0	(3.4)%	124.0	(3.4)%
Asia	386.1	256.8	50.4%	256.9	50.3%
Americas	15.3	30.9	(50.4)%	31.3	(50.9)%
EMEA	36.1	36.4	(0.8)%	36.4	(0.9)%
NSR per case (A$)	*373.0*	*337.3*	*10.6%*	*337.7*	*10.5%*
EBITS (A$m)	**250.2**	**186.9**	**33.9%**	**187.7**	**33.3%**
EBITS margin (%)	*44.9%*	*41.7%*	*3.2ppts*	*41.8%*	*3.0ppts*

Performance summary[1]

- EBITS increased 33.3% and EBITS margin increased 3.0ppts to 44.9%:
  - Strong growth of Bin & Icon portfolio in Asia, with the re-establishment of the Australian COO portfolio in China and positive depletions momentum in a number of other key Asian markets including Hong Kong, Thailand and Malaysia
  - NSR outside Asia impacted by partial reallocation of Bin & Icon portfolio to China, with growth across the broader portfolio supporting modest declines in EMEA and ANZ
  - Higher NSR per case reflects portfolio mix and the benefits of price increases across the Bin & Icon portfolio
- 1H25 growth profile reflects, in part, the focus on re-building distribution in China through 1Q25, which will see full year shipments weighted to 1H25, and the weighting of shipments to the second half in the pcp in anticipation of the removal of tariffs
- For F25, Penfolds continues to expect the delivery of low double-digit EBITS growth and EBITS margin 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

TWE

Penfolds in China

An encouraging return to China for Penfolds Australian COO portfolio

Market conditions
- Alcoholic beverage market conditions are mixed, with wine seeing some improvement in 1H25
- China wine category value growth in 1H25 versus pcp: offline retail +2%[1], e-commerce +6%[2]
- Luxury wine (RMB 150+) continues to drive category growth in e-commerce[2]: +13% versus 1H24 and +39% versus 1H20

Brand health
- Penfolds Demand Power increased from 10.3 to 10.7[3], driven by significant brand investment and activation
- Key metrics for awareness, consumption and global luxury brand perception all strengthened through 1H25
- Penfolds is the #1 Luxury wine brand, including #1 for Australia and US COO, # 4 for France COO and #5 for China COO[2]

Distribution expansion
- National distribution network operational across 30 provinces and regions through 1H25
- Excellent progress to date re-establishing Penfolds core portfolio in 10,000+ outlets across liquor store, retail and on-premise channels

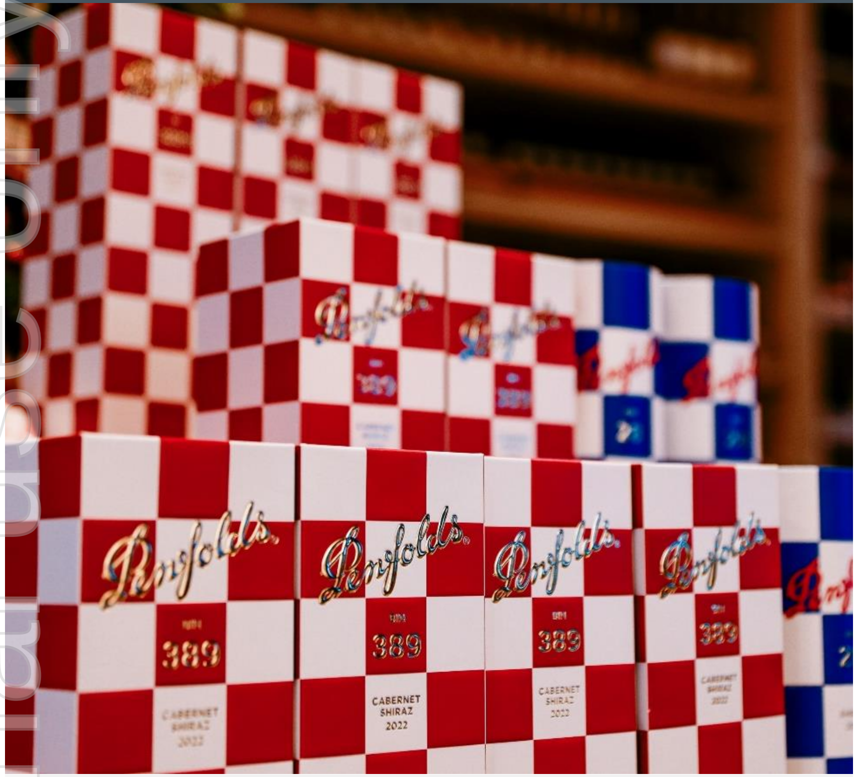
Depletion trends
- Strong customer demand for shipments supported by encouraging depletions performance through 1H25, with total portfolio depletions comparable to 1H20, the last relevant period prior to the imposition of tariffs
- For the Bin & Icon portfolio, depletions across all channels showed double digit growth versus 1H20, with strong end consumer demand evidenced by +72% growth in e-commerce over the same period[2]

Pricing trends
- Retail pricing continues to normalise despite availability of product at competitive pricing through cross border e-commerce channels, which is estimated to represent approximately 5% of Penfolds total depletion value in 1H25

1. Nielsen, December 2024
2. Smart Path, December 2024 represents approximately 20% of Penfolds retail sales
3. Kantar Brand Health, September 2024

Penfolds

Scaling Luxury credentials to recruit and re-recruit consumers



The launch of Penfolds Holiday by Nigo campaign was well received in Australia, driving strong consumer engagement during the festive period

Optimising the portfolio for long-term growth

The acquisition of Ningxia Stone & Moon Winery, expected to close in 2H25, cements TWE's long-term commitment to China and provides an efficient and scalable production model for Penfolds China COO portfolio in addition to a future local brand home

TWE

Treasury Americas

DAOU drives top-line growth in 1H25, with organic NSR stable

		Reported Currency		Constant Currency	
	1H25	**1H24**	**%**	**1H24**	**%**
Volume (m 9Le)	**3.4**	**2.8**	**22.1%**	**2.8**	**22.1%**
NSR (A$m)	**631.1**	**447.7**	**41.0%**	**443.7**	**42.2%**
ANZ	-	-	-	-	-
Asia	-	-	-	-	-
Americas	631.1	447.7	41.0%	443.7	42.2%
EMEA	-	-	-	-	-
NSR per case (A$)	*184.0*	*159.3*	*15.5%*	*157.9*	*16.5%*
EBITS (A$m)	**155.3**	**93.1**	**66.9%**	**91.5**	**69.8%**
EBITS margin (%)	*24.6%*	*20.8%*	*3.8ppts*	*20.6%*	*4.0ppts*

Performance summary[1]

- EBITS increased 69.8% and EBITS margin increased 4.0ppts to 24.6%:
  - Driven by the contribution of DAOU (volume 0.7m cases, NSR $194.1m),
  - Across the remainder of the Luxury portfolio, NSR declined 7.7%, reflecting below plan performance in US trade, declines in DTC which were impacted by lower e-commerce sales following reduced discounting on key brands and the weighting of shipments to the first half in the pcp
  - On an organic basis[3], NSR was broadly in line with the pcp
  - Shipments exceeded depletions by 0.3m cases, excluding NPD, driven by DAOU and Matua
- F25 EBITS delivery is expected to be weighted to 2H25, reflecting:
  - Luxury portfolio NSR broadly in line with 1H25;
  - Premium portfolio NSR slightly below 1H25;
  - the realisation of DAOU acquisition synergies; and
  - Foreign exchange rates, which based on current rates and market outlook, is expected to support delivery in 2H25

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

TWE

Treasury Americas

Scaling our Estate-led brands while elevating our Luxury image

After the first three years as part of Treasury Americas, Frank Family Vineyards is firmly on track to deliver its acquisition business case, having delivered NSR growth of 26% (an 8% CAGR) over the period[1]

DAOU's NSR grew 11.2% in 1H25[2], in line with expectations. Business integration is progressing to plan, with cost synergies from the acquisition now expected to be approximately US$35m, up from US$20m+, with approximately US$30m to be realised in F26

1. Frank Family Vineyards NSR growth across the three-year period through to 31 December 2024
2. DAOU NSR growth based on F24 DAOU metrics disclosed in August 2024. 1H24 growth rates are presented on a like for like basis and include results prior to acquisition

TWE

Treasury Premium Brands

Commercial and Premium portfolio declines drive lower EBITS delivery

A$m	1H25	Reported Currency		Constant Currency	
		1H24	%	1H24	%
Volume (m 9Le)	**6.3**	**6.7**	**(6.0)%**	**6.7**	**(6.0)%**
NSR	**355.7**	**388.5**	**(8.4)%**	**389.3**	**(8.6)%**
ANZ	167.8	177.8	(5.6)%	177.6	(5.5)%
Asia	23.6	24.1	(2.3)%	24.2	(2.5)%
Americas	10.8	14.9	(27.6)%	14.2	(24.2)%
EMEA	153.5	171.7	(10.6)%	173.2	(11.4)%
NSR per case (A$)	*56.4*	*57.9*	*(2.6)%*	*58.1*	*(2.8)%*
EBITS (A$m)	**22.9**	**45.8**	**(49.9)%**	**44.9**	**(48.9)%**
EBITS margin (%)	*6.4%*	*11.8%*	*(5.3)ppts*	*11.5%*	*(5.1)ppts*

Performance summary[1]

- EBITS declined 48.9% and EBITS margin declined 5.1ppts to 6.4%:
  - Commercial and Premium NSR declines reflect continued softness in consumer demand at lower price points and underperformance relative to the category
  - NSR declines in the Americas, due to re-alignment of inventory levels in Canada
  - Partly offset by the re-introduction of Australian COO Rawson's Retreat into China and double-digit NSR growth from Squealing Pig
- Decline in EBITS margin driven by price investment in the Premium brand portfolio, higher COGS with reduced portfolio volumes and cycling of the gain on sale of divested vineyard assets in the pcp
- Treasury Premium Brands is targeting the delivery of 2H25 EBITS in line with the pcp, supported by some improvement in top-line performance and reduced overhead costs as a result of the recent operating model changes

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 Premium Brands

Building powerful lifestyle brands of meaningful scale

Squealing Pig delivered global double digit NSR growth in 1H25 while continuing to innovate to meet consumer preferences, with the launch of Squealini a highlight

Optimising the portfolio, process and cost base

Progressed planning for transition to the global Premium division, with global coordination of brand building for key global brands such as 19 Crimes and operating model changes to support an improved cost and margin structure from 2H25 onwards

TWE

Outlook

Tim Ford
Chief Executive Officer

Summary and outlook

- In 1H25, TWE's Luxury-led focus drove the delivery of NSR, EBITS and EBITS margin growth
- The re-establishment of Penfolds Australian COO portfolio in China is progressing in line with expectations, supported by strong customer demand and encouraging depletions performance through 1H25, and TWE remains confident in the long-term growth opportunity in China and other global markets as reflected in the reiteration of multi-year guidance
- Treasury Americas has made significant progress with the integration of DAOU, with the upgrading of acquisition synergies to US$35m further strengthening the investment case; DAOU continues to perform to expectation and along with the remainder of the Luxury portfolio is expected to support delivery of F25 divisional EBITS weighted to 2H25
- While the lower end of the wine market remains challenging and is impacting Treasury Premium Brands top-line performance, TWE is confident that the transition to a global Premium division will be an opportunity to improve the performance of this portfolio in support of the Luxury-led strategy
- F25 EBITS are expected to be approximately $780m, which is at the lower end of the previously guided range of $780-810m, driven primarily by reduced expectations for Treasury Premium Brands

Questions

Supplementary Information

Impact of foreign exchange and hedging

1H25 EBITS constant currency impact

Currency	CFX Impact (A$m) Underlying	Hedging[1]	Total
AUD/USD and AUD/GBP	1.7	(0.3)	1.4
Net other currencies	(2.0)	(0.7)	(2.7)
1H25	**(0.3)**	**(1.0)**	**(1.3)**
AUD/USD and AUD/GBP	14.7	(0.1)	14.6
Net other currencies	(2.0)	1.0	(1.0)
1H24	**12.7**	**0.9**	**13.6**

- $1.3m unfavourable 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
  - $0.1m favourable impact from depreciation of the AUD relative to the USD and $1.6m favourable impact from AUD against GBP. Offsetting this was $2.0m adverse impact reflecting movements in TWE's other key currency exposures[2]
  - $1.0m relative unfavourable impact from hedging in 1H25 versus the prior period

2H25 EBITS sensitivity and risk management

Currency Pair	Primary Exposure	Movement	EBITS Sensitivity (A$m)
AUD/USD	COGS, EBITS	+ 1%	(2.2)
AUD/GBP	COGS, EBITS	+ 1%	(0.7)
CAD/USD	NSR	+ 1%	0.3
EUR/GBP	NSR, COGS	+ 1%	0.1

- 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: 54% of 2H25 exposure protected against appreciation of the exchange rate above 0.54, with an effective rate of 0.53[3]
  - AUD/USD: 71% of 2H25 exposure protected against appreciation of the exchange rate above 0.68, with an effective rate of 0.66[3]

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
3. Effective rate represents the expected outcome of FX forwards and FX options which would be exercised based off the period end exchange rates

TWE

Reconciliation of key performance measures

Metric (A$m unless otherwise stated)	Management calculation	1H25	1H24
EBITS	Net Profit After Tax	220.9	166.7
	Profit / (loss) attributable to non-controlling interests	(0.3)	0.1
	Statutory net profit	220.6	166.8
	Income tax expense	101.4	60.0
	Net finance costs	54.9	42.1
	Material items (gain) / loss	(0.2)	37.5
	SGARA (gain) / loss	14.7	(16.6)
	EBITS	**391.4**	**289.8**
EBITDAS	EBITS	391.4	289.8
	Depreciation & Amortisation	81.7	74.8
	EBITDAS	**473.1**	**364.6**
EPS[1]	Net Profit After Tax	220.9	166.7
	Material items (gain) / loss	(0.2)	37.5
	Tax on material items	8.2	(8.5)
	SGARA	14.7	(16.6)
	Tax on SGARA	(4.0)	3.2
	(Profit) / loss attributable to non-controlling interests	0.3	(0.1)
	NPAT (before material items & SGARA)	**239.6**	**182.3**
	Weighted average number of shares (millions)	811.4	741.5
	EPS (cents)	**29.5**	**24.6**
ROCE[2]	EBITS (LTM)	759.7	565.8
	Net assets	4,874.3	3,852.9
	SGARA in inventory	(16.5)	(12.2)
	Net debt	1,871.6	1,263.8
	Capital employed – Current year	**6,729.4**	**5,104.5**
	Net assets (CFX)	5,036.9	3,909.1
	SGARA in inventory (CFX)	(14.9)	(22.5)
	Net debt (CFX)	1,799.3	1,233.3
	Capital employed – Prior year (CFX)	**6,821.3**	**5,120.0**
	Average capital employed	6,775.4	5,112.2
	ROCE	**11.2%**	**11.1%**

1. Excludes earnings attributable to non-controlling interests
2. 1H24 ROCE capital employed excludes net assets and debt associated with the acquisition of DAOU

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 1H25: AUD/USD 0.6614 (1H24: AUD/USD 0.6530), AUD/GBP 0.5123 (1H24: AUD/GBP 0.5208) Period end exchange rates used for balance sheet items in 1H25: AUD/USD 0.6223 (F24: AUD/USD 0.6646), AUD/GBP 0.4959 (F24: AUD/GBP 0.5258)
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 *AASB 16 Leases*
NPAT	Net profit after tax attributable to shareholders of Treasury Wine Estates
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

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