



TREASURY WINE ESTATES

13 October 2025

ASX ANNOUNCEMENT

Update on F26 performance expectations

Treasury Wine Estates Limited (ASX:TWE) today provides an update on F26 performance expectations for Penfolds, Treasury Americas and the Group, and an update on 1Q26 trading performance for Treasury Collective.

Penfolds

Penfolds 1Q26 shipments were in line with expectations across key markets, globally, supported by the successful annual Penfolds Collection Release in early August.

As part of its F25 results announcement on 13 August, TWE noted that in China there had been softness in depletions throughout June and July as a result of evolving consumption dynamics within the alcohol sector, with large-scale banqueting occasions particularly impacted.

While August depletions showed some improvement, TWE noted that the Mid-Autumn Festival period would provide a clearer outlook of the likely performance trends through the remainder of the year. Complete data for Penfolds performance through the key Mid-Autumn Festival period remains pending. However, whilst depletions grew in September compared with the pcp, preliminary data indicates that depletions remain weak relative to plan. If the performance trends indicated by the preliminary data continue through F26, Penfolds depletions targets for F26 in China are unlikely to be achieved. As a result, TWE no longer believes it is appropriate to retain the Penfolds guidance for low to mid double-digit EBITs growth in F26 and approximately 15% EBITs growth in F27.

Several initiatives are now being implemented to mitigate the expected impacts in China in F26, including pursuing opportunities to re-allocate product to select customers in other key markets in a manner that is sustainable and minimises the risk of parallel imports back into the China market.

Given the uncertainty that remains as to the outlook, TWE is not in a position to provide revised guidance at this point in time. Penfolds strong fundamentals, a flexible and diversified, global sales model and continued investment in building distribution, availability and consumer demand continues to drive depletion growth in key markets. Importantly, TWE remains





committed to maintaining the long-term strength and equity of the Penfolds brand through pricing discipline across all markets.

Treasury Americas

Treasury Americas' portfolio is performing well outside of California, with depletions growing ahead of the Luxury category, up more than 5% ex-California, led by DAOU, Frank Family Vineyards and Stags' Leap. In California, depletions were impacted by the distributor transition, including key account set-up activities in September.

With respect to shipments in 1Q26, as expected, Treasury Americas' performance has been impacted by the distribution transition in California in addition to the focus on rebalancing shipments to depletions across F25 and F26, with some rebalancing having been completed in the quarter.

As part of its F25 results announcement on 13 August, TWE stated that its expectation for modest EBITs growth in F26 for Treasury Americas was contingent on mitigating the impact of reduced shipments in California through negotiations with Republic National Distribution Company (RNDC), who was Treasury Americas' incumbent distributor in California at the time and who had announced the closure of their operations in the state effective 2 September.

Additionally, TWE noted that:

- The net financial impact from the Californian distribution change remained uncertain, however it could advise at that point in time that it expected an adverse impact to Treasury Americas' F26 operating plan NSR of approximately A\$50m, reflecting the difference in business plans under the distribution arrangement with RNDC and that with its new Californian distributor, Breakthru Beverage Group; and
- The overall NSR and EBITs impact from the distribution change would remain uncertain until TWE finalised its transition planning and exit negotiations with RNDC in California.

Negotiations are ongoing between TWE and RNDC, including the most recent meeting on 10 October, with both parties seeking a practical solution. As part of these negotiations, TWE is considering a number of factors, including the treatment of the remaining inventory (A\$100m NSR value) currently held by RNDC in California (which includes the 0.2m case excess of shipments to depletions in California, as disclosed in August). While optionality exists regarding the management of this inventory, there may be an additional impact to TWE's F26 shipments and operating plan NSR, depending on what is ultimately agreed between TWE and RNDC.

TWE maintains its objective of achieving a settlement that mitigates the full impact to F26 EBITs associated with RNDC's closure in California, including any impacts associated with the treatment of the remaining inventory. At this time, however, there is increased uncertainty that this will occur and therefore TWE no longer believes it is appropriate to retain the guidance for modest EBITs growth in Treasury Americas in the year.



Treasury Collective

Treasury Collective's 1Q26 performance was in line with expectations in Australia and EMEA, however performance in the US market was also impacted by the Californian distribution transition and the focus on aligning shipments to depletions across F25 and F26.

Due to the reduced shipments in the US through 1H26, Treasury Collective's EBITs delivery is expected to be weighted to 2H26, approximately 60%.

Group

As a result of the uncertain outlook in relation to Penfolds and Treasury Americas, TWE has formed the view that it is no longer appropriate to retain its guidance for EBITs growth at a Group level in F26.

Additionally, as part of its F25 results update in August, TWE announced an on-market share buy-back for up to \$200m. By the end of September, \$30.5m of shares had been bought back, reflecting 15% completion through 1Q26. As is appropriate and prudent, the on-market share buy-back will be paused until there is greater clarity around trading conditions and expectations.

TWE retains a strong and flexible capital structure, with approximately \$1.0bn of liquidity currently on hand and with significant headroom to the financial covenants under its borrowing arrangements.

TWE's Annual General Meeting will be held this Thursday, 16 October, at 10.00am (AEDT). Please refer to the Notice of Meeting provided to the ASX on 15 September 2025 for further information.

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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