TREASURY
WINE ESTATES

15 February 2024 **ASX ANNOUNCEMENT**

2024 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 10:30am (AEDT) on 15 February 2024. Links to register for the conference are provided in the 2024 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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F24 Half Year Results

15 FEBRUARY 2024

Important information

This presentation is in summary form and is not necessarily complete. It should be read together with the Company's Appendix 4D and interim financial statements for the half year ended 31 December 2023 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 the current economic climate and potential impacts on consumer demand, the impact of continued high inflation on business outcomes, global difficulties in logistics and supply chains, risks in relation to the acquisition of DAOU, exchange rate impacts given the global nature of the business, vintage variations and the evolving nature of global geopolitical dynamics.

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 correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections from time to time. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

Certain market and industry data used in this presentation has been obtained from research, surveys or studies conducted by third parties, including industry or general publications. Neither TWE nor its representatives or advisers have independently verified any market or industry data provided by third parties or industry or general publications.

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Introduction

Tim Ford
Chief Executive Officer

Key Messages

- 1H24 EBITS $289.8m (down 5.8%) and EBITS margin 22.6% (down 1.4ppts), reflecting the planned weighting of Penfolds Bin and Icon shipments in F24 to 2H24:
  - Penfolds continued its strong momentum, particularly in Asia and Australia, while Treasury Americas and Treasury Premium Brands EBITS declined
  - Stable top-line performance with Luxury NSR up 4.3%, driven by Penfolds and modestly increased availability in Treasury Americas, while Premium and Commercial NSR declined 2.0% and 6.5% respectively
  - Market trends broadly in line with expectations, with continuing strength of demand for Luxury wine in key markets, resilience in Premium wine and continued shift of consumer preference away from Commercial wine

- Given the deliberate half on half weighting of F24, we expect a stronger 2H24 to deliver mid-high single digit organic EBITS growth for the full year, excluding the expected EBITS from DAOU of US$23-25m in 2H24[1]

- Prepared and well placed to commence re-establishing our Australian country of origin wine in China, should the current review of tariffs on Australian wine imports see their removal

- Following the acquisition of DAOU, which was completed in December 2023:
  - Treasury Americas is focused on driving its market leading US brand portfolio and platform, with normalised availability of Luxury wine expected to support incremental growth from F25 and beyond
  - Work is underway to assess the future operating model for TWE's global portfolio of Premium brands, with a determination to be made during CY24

1. F24 outlook does not include any benefits from a positive outcome in relation to the review of tariffs on Australian wine imports

1H24 Financial Highlights[1,2,3]

Luxury portfolio growth in Penfolds and Treasury Americas drives stable topline performance

NSR
$1.3bn Unchanged

NSR per case
$118.4 ▲ 9.1%

EBITS
$289.8m ▼ 5.8%

EBITS margin
22.6% ▼ 1.4 ppts

NPAT
$182.3m ▼ 5.9%

EPS[4]
24.6cps ▼ 7.5%

Cash conversion
75.2% ▲ 7.5 ppts

Net Debt / EBITDAS[5]
2.2x ▲ 0.5x

ROCE[6]
11.1% ▼ 0.1ppt

Interim dividend
17.0cps ▼ (5.6)%

Luxury and Premium contribution to global NSR
86% ▲ 1ppt

1. Financial information in this report is based on unaudited 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 half year ended 31 December 2022 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 8 of the 2024 Interim Results Appendix 4D for details.
5. Adjusted to include CY23 EBITDAS of DAOU
6. Capital employed adjusted to exclude net assets and debt associated with the acquisition of DAOU

TWE

1H24 Divisional performance

Penfolds delivers EBITS growth despite the planned weighting of shipments to 2H24, while reduced NSR drove declines in Treasury Americas and Treasury Premium Brands

	Penfolds			Treasury Americas			Treasury Premium Brands		
Metric[1, 2]	**1H24**	**% pcp**	**% CFX**	**1H24**	**% pcp**	**% CFX**	**1H24**	**% pcp**	**% CFX**
NSR (A$m)	448.1	9.2%	8.2%	447.7	(4.3)%	(6.5)%	388.5	(4.5)%	(7.9)%
NSR per case (A$)	337.3	(4.2)%	(5.2)%	159.3	3.3%	0.9%	57.9	8.7%	4.8%
EBITS (A$m)	186.9	2.9%	3.5%	93.1	(17.5)%	(23.3)%	45.8	(3.2)%	(14.9)%
EBITS margin	41.7%	(2.6)ppts	(1.9)ppts	20.8%	(3.3)ppts	(4.6)ppts	11.8%	0.2ppts	(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

China wine tariff review

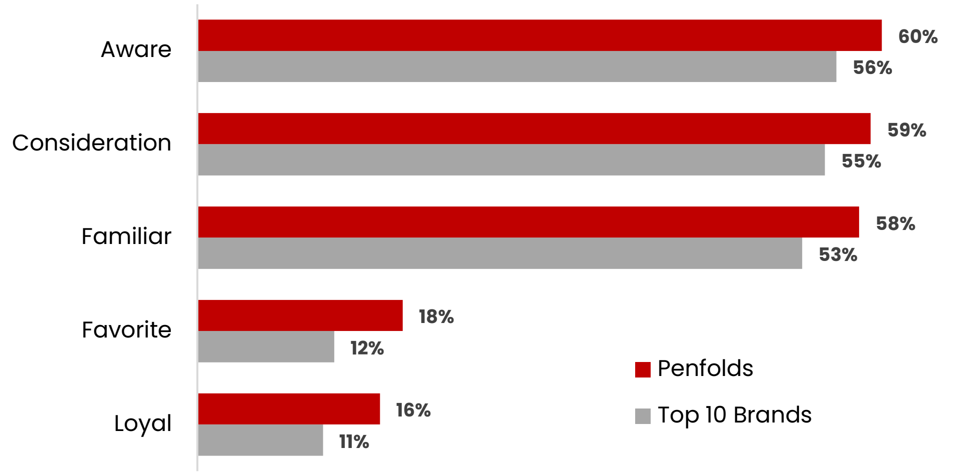
Prepared and well placed to re-establish our Australian COO portfolio in China, should tariffs be removed

- The expedited review of tariffs on Australian wine imports is ongoing, with a determination anticipated in March 2024
- Should the tariffs be removed, TWE is prepared and well placed to pursue several key initiatives, including:
  - Re-establishing distribution for Penfolds entry-level Australian COO Luxury portfolio in China
  - Reallocating a portion of Penfolds Bin and Icon tiers to China from other global markets, while maintaining strong momentum of growth in other key global markets
  - Implementing global price increases on certain Penfolds Bin and Icon tiers
  - Expanding sales and marketing resources in China
  - Pursuing incremental sourcing, commencing with the 2024 Australian vintage
  - Continuing the multi-COO portfolio strategy
- We remain confident that China will continue to be an attractive Luxury wine market and a significant growth opportunity for Penfolds over the long-term

Penfolds has retained strong organisational presence and brand health in China

- Strong onshore organisational presence through an experienced local leadership and 120+ team members
- Penfolds official store achieves #2 ranking on Tmall and #3 ranking on JD.com during the recent Double 11 festival
- One by Penfolds delivers strong depletions growth in 1H24 for the French, US and Chinese ranges
- #2 for awareness amongst top-10 imported wine brands

Penfolds retains unique appeal with Chinese wine consumers[1]



1. Kantar brand health tracker, Dec-23 and Jan-24

Acquisition of DAOU

TWE now has the leading US Luxury portfolio following the acquisition of DAOU

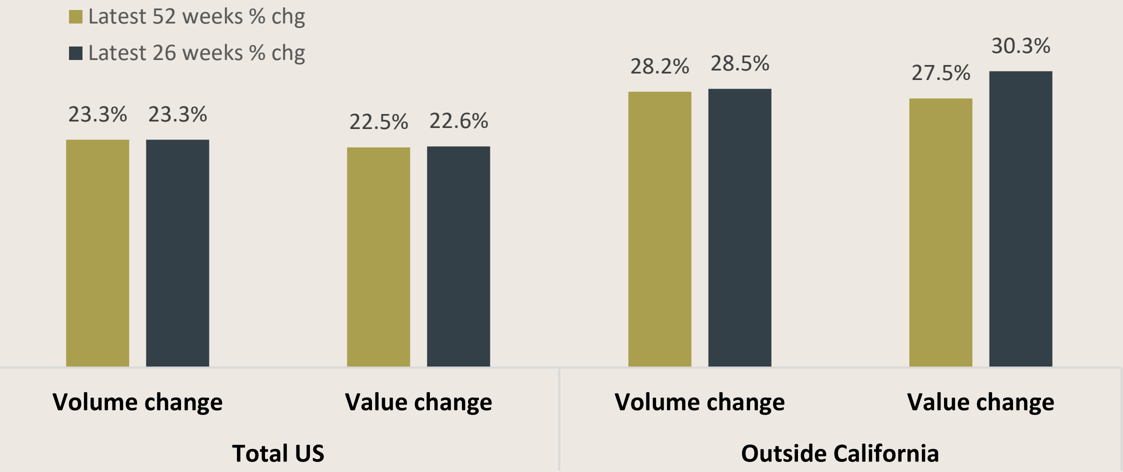
- Acquisition completed December 2023, establishing Treasury Americas as the leading US Luxury portfolio including DAOU, Stags' Leap, Frank Family Vineyards, Beaulieu Vineyard and Beringer
- CY23 performance significantly ahead of the market and in line with expectations, driven by strong growth across all price tiers and in several key US markets
- Our expectations for DAOU are unchanged:
  - 2H24 EBITS contribution in the range of US$23-25m[1]
  - Average annual low double-digit NSR growth over the medium term, led by (i) continued growth for the Discovery and Journey tiers, ahead of the category, and (ii) accelerated growth in the ultra-Luxury tiers
  - Mid to high single digit EPS accretion in F25, the first full year of ownership[2]
- Plans for business integration and cost synergy optimisation of are on track, and will commence in F25

DAOU financial performance

US$m	CY23	CY22	%
Volume (m 9Le)	**1.1**	**0.9**	**22%**
NSR	**206.4**	**163.7**	**26.1%**
NSR per case ($)	*193.3*	*187.5*	*3.1%*
EBITS ($m)	**63.7**	**44.1**	**44.4%**
EBITS margin (%)	*30.8%*	*26.9%*	*3.9ppts*

Delivering sustained growth, particularly outside of California

DAOU US$20-25 portfolio scan channel performance[3]



1. DAOU's sales, and therefore EBITS, have been historically weighted to the second half of the calendar year. Through CY21-23, the weighting of EBITS to the second half of the calendar year has been in the range of 61-65%
2. Inclusive of proforma for cost synergies of US$20m+. Excludes any non-cash financing charge associated with the accounting recognition of the earn-out liability (to the extent relevant) or any one-off transaction or integration costs (including those required to deliver synergies)
3. Circana Market Advantage, US MULO and Convenience, DAOU US$20-25 portfolio, period ending 31 December 2023

TWE

Global operating model

Assessing the future operating model for TWE's global portfolio of Premium brands, including how best to leverage scale across TWE's network, with a determination to be made during CY24[1]

	Luxury		Premium	
	Penfolds	Treasury Americas	Treasury Americas	Treasury Premium Brands
Brands	BIN & ICON; Grange; Yattarna; Bin 128; ONE by Penfolds; Max's; Koonunga Hill	DAOU; Stags' Leap; Frank Family Vineyards; Beaulieu Vineyard BV; Beringer; Etude	St Huberts The Stag; Matua; Castello di Gabbiano; 19 Crimes; Sterling Vineyards	Wynns Coonawarra Estate; Saltram PJ; Lindeman's; Rawson's Retreat; Seppelt; Squealing Pig; Wolf Blass
NSR	$820m	$634m	$509m	$782m
NSR/9Le	$354	$385	$104	$55
EBITS margin	44%	36%	21%	10%

- Treasury Americas to establish separate sales and marketing focus between Luxury and Premium portfolios from F25
- Longer term potential to create a global Premium division[2]
- Following the acquisition of DAOU, over 75% of TWE's proforma EBITS will come from Penfolds and the Treasury Americas Luxury portfolio

1. F23 financials shown for Penfolds, Treasury Premium Brands and TAM Premium. TAM Luxury reflects the combination of F23 Treasury Americas Luxury brands (includes BV, Stags Leap, Frank Family Vineyards, Beringer, Etude) and CY23 DAOU converted at AUD/USD 0.64, including pro forma synergies of US$20m and Management estimates in relation to the allocation of overheads, which remain subject to revision
2. Review will also consider Commercial brands within the Treasury Premium Brands division

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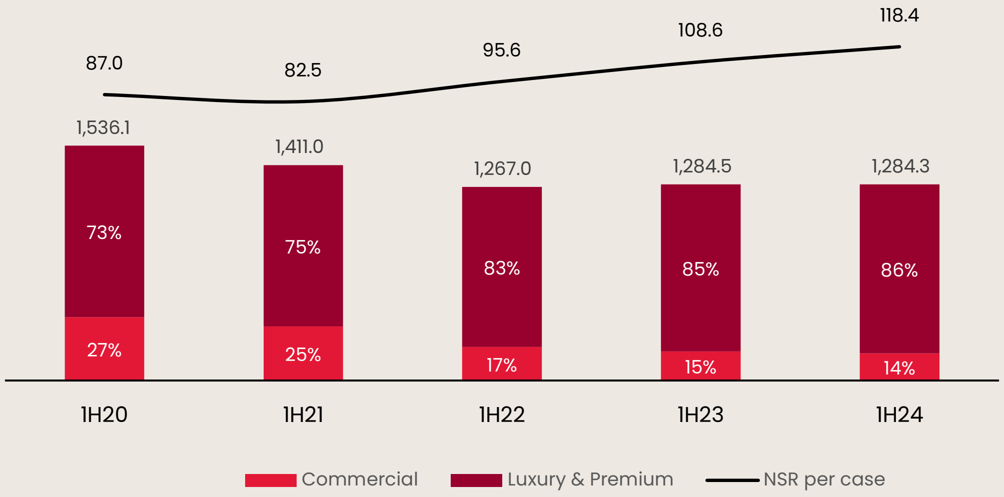
Financial Performance

Stuart Boxer

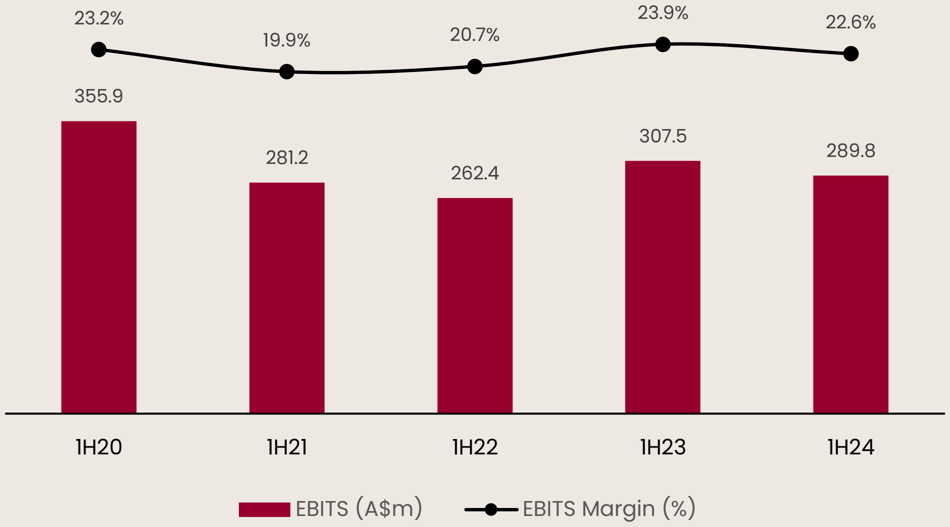
Chief Financial and Strategy Officer

Key measures of performance[1]

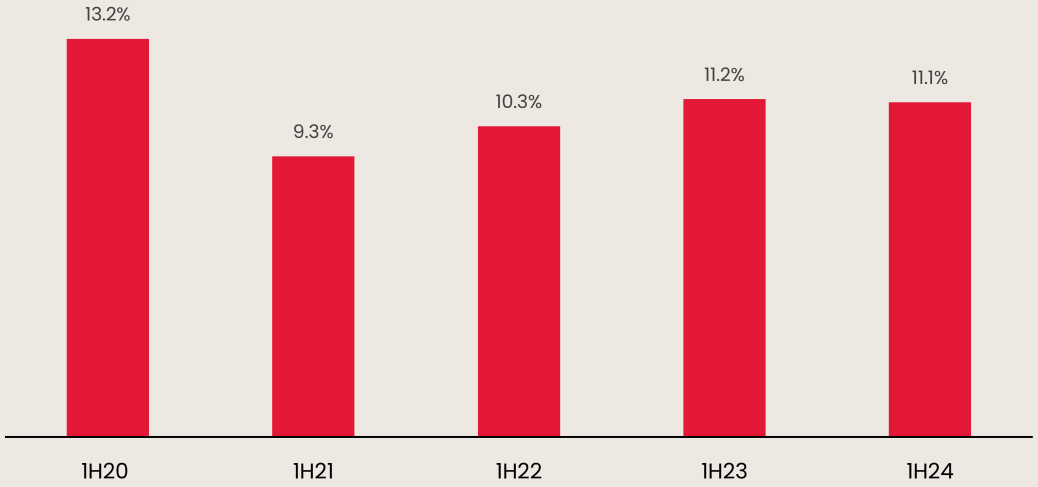
Group NSR (A$m) and NSR per case



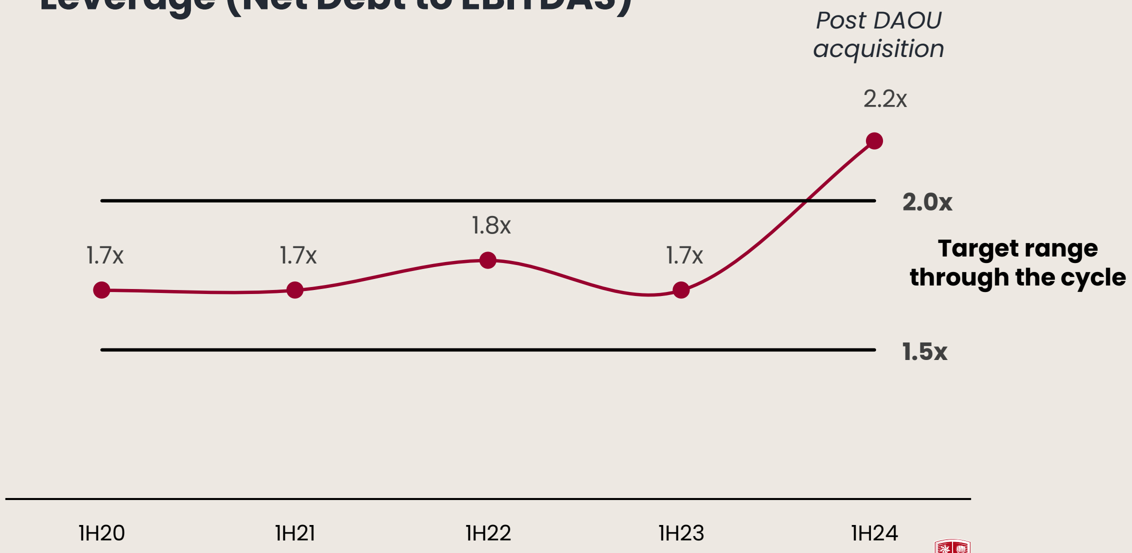
Group EBITS (A$m) and EBITS margin



Return on Capital Employed (ROCE)



Leverage (Net Debt to EBITDAS)



1. All figures and calculations are subject to rounding

Material items

Material Items	Benefits	Benefits from	Projected one-off cost	Total cost to date	Recognised in 1H24	Status
Acquisition of DAOU Announced 31 October 2023	Established Treasury Americas as the leading US Luxury portfolio, supporting premiumisation, growth and margin expansion	2H24	\$(98.0)m[1]	\$(53.4)[1]m	\$(35.1)m	To complete in F25
TPB operating model and Australian Commercial wine supply chain Announced 24 May 2023	Enhance operational and strategic flexibility to enable continued growth of TPB's Premium and Luxury Portfolio	F24	\$(90.0)m[2]	\$(130.5)m	\$(2.4)m	To complete in 2H24
Total Material Items (pre-tax)					**\$(37.5)m**	
Total Material Items (post-tax)					**\$(29.0)m**	

Total Material Items cash flow					**\$(7.0)m**	

1. Includes transaction costs directly attributable to the entitlement offer of \$18.3m, which are a deduction to equity per AASB 132
2. Includes the expected gain on divestment of Australian Commercial vineyards in 2H24

TWE

Balance sheet[1,2]

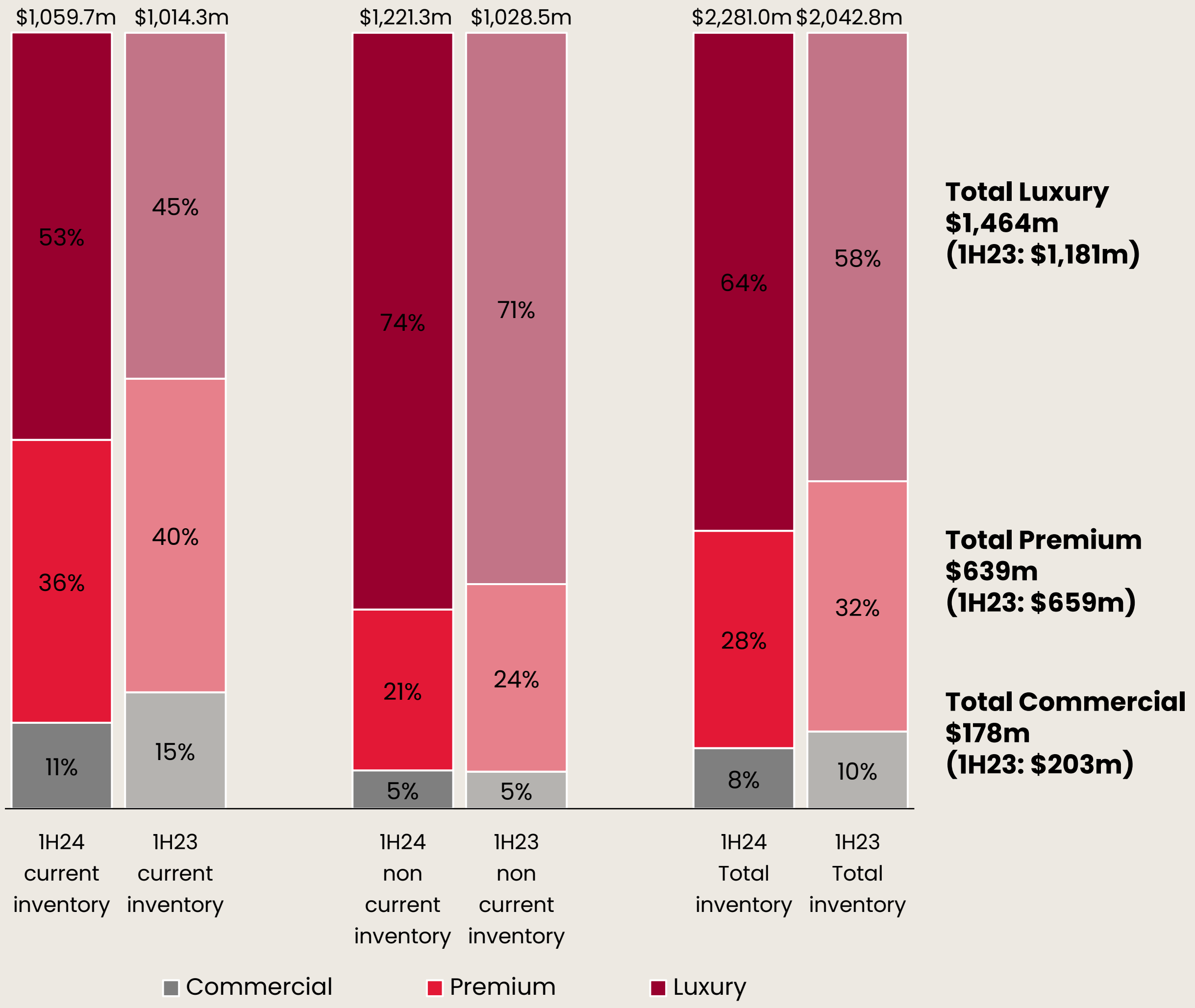
A$m	1H24[3] 31-Dec-23	F23 30-Jun-23	1H23[4] 31-Dec-22
Cash & cash equivalents	436.4	565.8	684.9
Receivables	737.5	612.9	573.6
Current inventories	1,059.7	990.3	1,013.3
Non-current inventories	1,221.3	1,175.3	1,028.5
Property, plant & equipment	1,701.9	1,576.8	1,586.3
Right of use lease assets	382.7	389.7	400.3
Agricultural assets	24.8	44.8	32.1
Intangibles	2,448.1	1,426.7	1,430.0
Tax assets	153.2	190.9	125.3
Assets held for sale	22.6	32.9	3.0
Other assets	42.1	85.2	93.1
Total assets	**8,230.3**	**7,091.3**	**6,970.4**
Payables	691.4	709.7	670.3
Interest bearing debt	1,600.4	1,388.6	1,353.8
Lease liabilities	531.9	548.9	558.4
Tax liabilities	392.0	401.7	352.5
Provisions	97.5	106.7	76.7
Other liabilities	159.3	56.8	50.6
Total liabilities	**3,472.6**	**3,212.4**	**3,062.3**
Net assets	**4,757.7**	**3,878.9**	**3,908.1**

- Net assets increased $878.8m on a reported currency basis in 1H24
- Adjusting for the movement in foreign exchange rates, net assets increased by $942.9m
- The acquisition of DAOU resulted in the following key impacts[3]:
  - Increased Intangibles and Property, Plant & Equipment of $1,045.6m and $159.6m
  - Increased working capital of $159.8m
  - Increase in Interest Bearing Debt, reflecting the $445m debt funding
  - Increase in Other Liabilities including the fair value of the contingent earn-out as part of the DAOU acquisition
- Excluding DAOU, working capital increased $98.5m due to:
  - Lower Payables, in line with the seasonal timing of grower payments; and
  - Higher Receivables, driven by the timing of shipments in Asia

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
3. DAOU values are preliminary and subject to final purchase price accounting
4. 1H23 has been restated to reflect the final purchase price accounting for Chateau Lanessan. Refer to Note 35 of the 2023 Annual Report for further details

Inventory analysis

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



- Total inventory **volume** is flat versus the pcp, with reduced Commercial and Premium portfolio inventory offset by higher Luxury inventory
- Total inventory **value** increased 12%:
  - Current inventory increased $45.4m to $1,059.7m, driven by higher Luxury inventory including the acquisition of DAOU and partly offset by a reduction in Commercial and Premium inventories
  - Non-current inventory increased $192.8m to $1,221.3m, reflecting higher Luxury inventory following the strong 2023 Californian vintage in addition to the acquisition of DAOU
- Luxury inventory increased 24% to $1,464m; excluding DAOU, Luxury inventory increased 7%

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

TWE

Cash flow and net debt[1]

A$m (unless otherwise stated)	1H24	1H23
EBITDAS	**364.6**	**381.3**
Change in working capital	(93.3)	(115.7)
Other items	2.9	(7.5)
Net operating cash flows before financing costs, tax & material items	**274.2**	**258.2**
Cash conversion[2]	**75.2%**	**67.7%**
Payments for capital expenditure[3]	(66.1)	(65.5)
Payments for subsidiaries	(1,206.0)	(55.8)
Proceeds from sale of assets	34.3	22.1
Cash flows after net capital expenditure, before financing costs, tax & material items	**(963.7)**	**159.0**
Finance costs paid	(52.5)	(37.5)
Tax paid	(27.0)	(53.6)
Cash flows before dividends & material items	**(1,043.2)**	**67.9**
Dividends/distribution paid	(122.7)	(115.5)
Cash flows after dividends before material items	**(1,165.9)**	**(47.6)**
Material item cash flows	(7.0)	50.0
On-market share purchases	-	(8.2)
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)	**(346.4)**	**(5.7)**
Net proceeds from borrowings	223.2	258.0
Total cash flows from activities	**(123.1)**	**252.2**
Opening net debt	**(1,386.2)**	**(1,254.3)**
Total cash flows from activities (above)	(346.4)	(5.7)
Lease liability additions	(18.8)	(14.0)
Lease liability disposed	-	44.0
Debt revaluation and foreign exchange movements	42.5	(15.1)
(Increase) / Decrease in net debt	(322.6)	**9.2**
Closing net debt[4]	**(1,708.8)**	**(1,245.1)**

- Cash conversion[2] was 75.2% in 1H24, driven by the timing of shipments in Asia:
  - Excluding the net change in non-current Luxury and Premium inventory, cash conversion was 66.1%,
  - TWE expects full year cash conversion to be approximately 80%, excluding the change in non-current inventory
- 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 $322.6m increase in Net Debt[4] to $1,708.8m

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 balances related to the acquisition of DAOU
3. Capital expenditure is net of proceeds from the disposal of lease assets: 1H24: nil, 1H23: $107.9m
4. Net debt excludes fair value adjustments related to derivatives in a fair value hedge relationship on USPP notes: 1H24 $(21.7)m, 1H23 $(20.7)m.

TWE

Capital expenditure

A$m	1H24	1H23
Wine making equipment and facilities	19.6	10.6
Vineyard redevelopments	14.8	6.6
Sustainability	2.0	3.0
Technology	6.6	7.5
Oak purchases	0.6	2.5
Other capex	16.3	6.2
Maintenance and replacement capex	**59.9**	**36.4**
Vineyard purchase[1]	–	25.4
Growth capex	**6.2**	**3.7**
Capex	**66.1**	**65.5**
Net lease liability movement	18.8	(30.0)

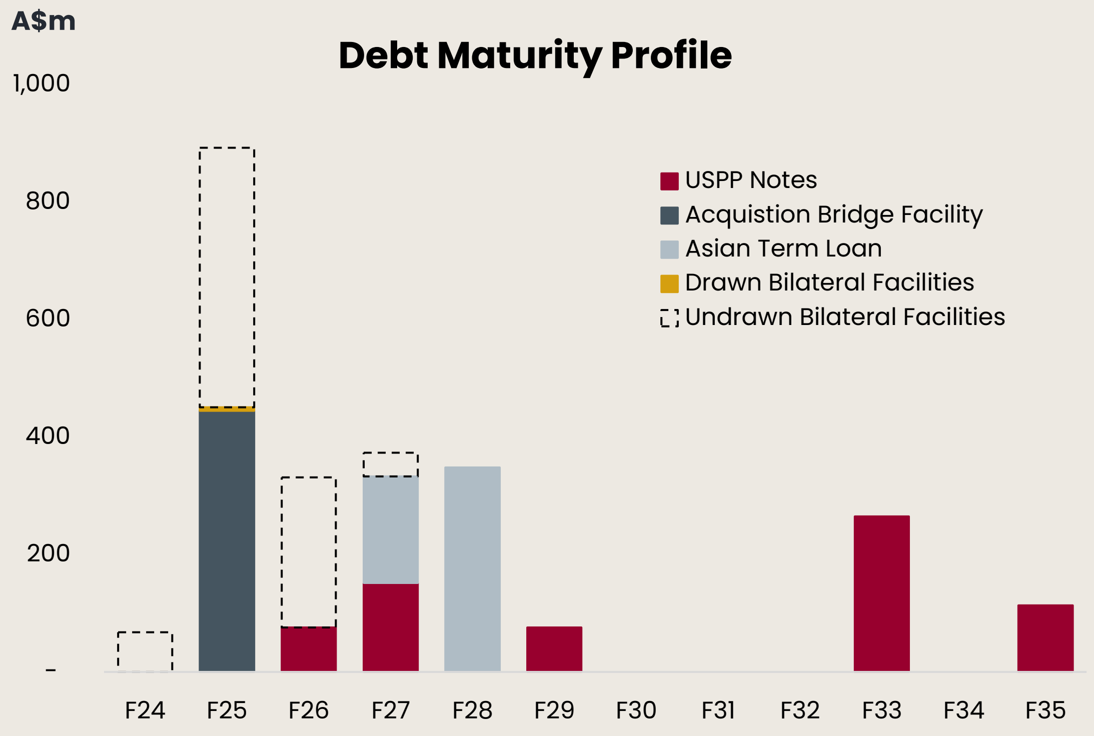
- Capital expenditure (capex) $66.1m in 1H24:
  - Maintenance & replacement capex of $59.9m, including focus on ongoing upgrades to wine making equipment and facilities in the US and Australia
  - Other capex includes repair of Sterling Vineyards assets that were damaged from the 2020 wildfires
  - Growth capex of $6.2m, including investment in low/no alcohol wine production technology and expansion of operations in France
- Ongoing expectation for maintenance and replacement capex of approximately $100m
- Growth capex in 2H24 expected to include purchase of New Zealand vineyard for approximately NZ$55m

1. Net of proceeds from the disposal of lease assets: 1H24 $nil, 1H23 $107.9m.

Capital management

- **Investment grade capital structure** retained post DAOU acquisition:
  - Net debt / EBITDAS[1] 2.2x at 1H24, with favourable currency translation on debt supporting improvement
  - Deleveraging expected from 2H24, returning to the target 1.5-2.0x range by the end of F25
- Total **available liquidity** $1.2bn, comprising cash $436.4m and undrawn committed facilities of $792.0m:
  - Refinancing the Daou acquisition bridge facility, drawn for $445m, is a key priority in 2H24
- Strong capital and liquidity position enabling the **continued delivery of dividends**:
  - F24 interim divided 17.0 cents per share, representing a payout of 76% and a 6.2% increase in the value of the interim dividend versus the pcp
  - Total dividend payments in relation to F24 expected to be delivered in line with TWE's long-term policy[2]
  - Franking 70% following the acquisition of DAOU given higher proportion of expected future offshore earnings

- Elevating our focus on **capital allocation and capital discipline** will be a key priority moving forward:
  - Revenue phasing and cash flow
  - Driving ROCE growth across TWE



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 Frank Family Vineyards
2. TWE targets a dividend payout ratio of 55-70% of NPAT (pre-material items and SGARA) over a fiscal year

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Divisional Performance

Tom King Managing Director, Penfolds

Ben Dollard President, Treasury Americas

Peter Neilson Managing Director, Treasury Premium Brands

Penfolds

Strong momentum in Asia and Australia moderated by planned phasing of Bin and Icon shipments to 2H

		Reported Currency		Constant Currency	
A$m	**1H24**	**1H23**	**%**	**1H23**	**%**
Volume (m 9Le)	**1.3**	**1.2**	**14.1%**	**1.2**	**14.1%**
NSR	**448.1**	**410.2**	**9.2%**	**414.2**	**8.2%**
ANZ	124.0	119.6	3.7%	119.7	3.7%
Asia	256.8	220.8	16.3%	220.7	16.3%
Americas	30.9	33.6	(8.0)%	34.3	(9.9)%
EMEA	36.4	36.2	0.6%	39.5	(7.9)%
NSR per case (A$)	*337.3*	*352.2*	*(4.2)%*	*355.6*	*(5.2)%*
EBITS (A$m)	**186.9**	**181.6**	**2.9%**	**180.5**	**3.5%**
EBITS margin (%)	*41.7%*	*44.3%*	*(2.6)ppts*	*43.6%*	*(1.9)ppts*

1H24 Luxury and Premium contribution to division NSR

100% Unchanged

Performance summary[1]

- EBITS increased 3.5% and EBITS margin decreased 1.9 ppts to 41.7%:
  - Volume and NSR growth driven by continued positive momentum in Asia and Australia, including the strong growth of Bin and Icon and entry level tiers
  - NSR per case decline reflects portfolio mix from the planned phasing of Bin and Icon shipments to 2H24 and the growth of entry level tiers
  - COGS per case increased as a result of the sell-through of higher cost 2020 and 2021 Australian vintages
- Penfolds F24 shipment plan remains on track, with the increased weighting of Bin and Icon shipments expected in 2H24, as planned, which will support the normalisation of divisional EBITS margin towards the long-term target of approximately 45%
- Expected F24 delivery does not assume any benefits from a positive outcome in relation to the review of tariffs on Australian wine imports into China

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

Penfolds Champagne

New Champagne Cuvée Brut and Champagne Rosé, in partnership with Champagne Thiénot

- Exciting expansion of Penfolds Champagne portfolio, in collaboration with long-term partner, Champagne Thiénot
- Fruit sourced from grower vineyards in Champagne, and produced to Penfolds distinctive House Style
- The collaboration reinforces Penfolds longstanding relations and ongoing winemaking commitment in France, and is a key element of the multi-COO strategic growth agenda
- Planned launch and release in September 2024, alongside the Penfolds Collection

Treasury Americas

Modest increase in availability supporting the Luxury portfolio's return to growth

A$m	1H24	Reported Currency 1H23	Reported Currency %	Constant Currency 1H23	Constant Currency %
Volume (m 9Le)	**2.8**	**3.0**	**(7.3)%**	**3.0**	**(7.3)%**
NSR	**447.7**	**467.5**	**(4.3)%**	**478.9**	**(6.5)%**
ANZ	-	-	-	-	-
Asia	-	-	-	-	-
Americas	447.7	467.5	(4.3)%	478.9	(6.5)%
EMEA	-	-	-	-	-
NSR per case (A$)	*159.3*	*154.2*	*3.3%*	*157.9*	*0.9%*
EBITS (A$m)	**93.1**	**112.8**	**(17.5)%**	**121.4**	**(23.3)%**
EBITS margin (%)	*20.8%*	*24.1%*	*(3.3)ppts*	*25.3%*	*(4.6)ppts*

1H24 Luxury and Premium contribution to division NSR

93% ▼ 1ppts vs. pcp

Performance summary[1]

- EBITS declined 23.3% and EBITS margin reduced 4.6ppts to 20.8%:
  - Lower volume and NSR driven by reduced shipments of 19 Crimes Modern tier innovations released in 1H23 (Cali Gold, Cali Blanc), while the 19 Crimes Classics tier performed in line with pcp
  - The Luxury portfolio returned to growth, ahead of a return to normalised availability in F25
  - Depletions exceeded shipments by 0.1m cases
- COGS increased, reflecting sell-through of high-cost, wildfire impacted 2020 Californian vintage, while CODB improved due to planned phasing of promotional activity to 2H24
- Trading is expected to be consistent through the second half of F24, leading to the delivery of NSR growth year on year and an EBITS margin of approximately 22% for the full year, excluding DAOU. 2H24 NSR and EBITS are expected to be higher relative to the pcp, given the distributor destock of 0.4m cases in that period.
- This will set the platform for F25 as availability for Treasury Americas Luxury portfolio increases by double digits, which coupled with the acquisition of DAOU, will result in the contribution of the Luxury portfolio increasing to approximately 70% of divisional EBITS on a proforma basis

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

Priority Premium portfolio brands in growth, while Commercial declines continue as expected

		Reported Currency		Constant Currency	
A$m	**1H24**	**1H23**	**%**	**1H23**	**%**
Volume (m 9Le)	**6.7**	**7.6**	**(12.1)%**	**7.6**	**(12.1)%**
NSR	**388.5**	**406.7**	**(4.5)%**	**421.9**	**(7.9)%**
ANZ	177.8	184.5	(3.6)%	184.7	(3.8)%
Asia	24.1	43.0	(43.8)%	44.1	(45.3)%
Americas	14.9	17.4	(14.7)%	17.5	(14.8)%
EMEA	171.7	161.8	6.1%	175.6	(2.2)%
NSR per case (A$)	*57.9*	*53.3*	*8.7%*	*55.3*	*4.8%*
EBITS (A$m)	**45.8**	**47.3**	**(3.2)%**	**53.8**	**(14.9)%**
EBITS margin (%)	*11.8%*	*11.6%*	*0.2ppts*	*12.8%*	*(1.0)ppts*

1H24 Luxury and Premium contribution to division NSR

63% ▲ 3ppts vs. pcp

Performance summary[1]

- EBITS decreased 14.9% and EBITS margin decreased 1.0ppts to 11.8%:
  - Led by double digit declines across the Commercial portfolio and reduced shipments to Asia, reflecting the re-alignment of inventory levels to trend depletions rates
  - Outside of Asia, Premium portfolio NSR was in line with the prior year, with NSR for the priority Premium brand portfolio[2], up 7.8%, led by Squealing Pig in Australia and 19 Crimes in Australia and EMEA
- Trading conditions are expected to remain consistent throughout F24 with higher CODB in 2H24, compared with 1H24, to result in full year EBITS margin being delivered broadly in line with the prior year on a reported currency basis

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. Includes 19 Crimes, Squealing Pig, Pepperjack, St Huberts The Stag and T'Gallant

TWE

TREASURY
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Outlook

Tim Ford Chief Executive Officer

Summary and outlook

- Our financial objective remains to deliver sustainable top-line growth and high-single digit average earnings growth over the long-term[1]
- Given the deliberate half on half weighting of F24, we expect a stronger 2H24 to deliver mid-high single digit organic EBITS growth for the full year, excluding the expected EBITS from DAOU of US$23-25m in 2H24[2]
- Our strategic focus is clear, and is centred on three priorities:

  1. Continuing to execute Penfolds growth strategy to maintain the strong momentum, and we are prepared and well placed for the opportunity that any change to tariffs in China would bring
  2. Following the acquisition of DAOU, we are focused on driving our leading US Luxury brand portfolio and platform, with normalised availability of Luxury wine expected to support incremental growth from F25
  3. Assessing the future operating model for our global portfolio of Premium brands, including how best to leverage scale across our network

1. Organic, pre material items and on a constant currency basis
2. F24 outlook does not include any benefits from a positive outcome in relation to the review of tariffs on Australian wine imports

TREASURY
WINE ESTATES

Questions

TREASURY
WINE ESTATES

Supplementary Information

Impact of foreign exchange and hedging

1H24 EBITS constant currency impact

CFX Impact (A$m)			
Currency	**Underlying**	**Hedging[1]**	**Total**
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**
AUD/USD and AUD/GBP	11.7	(3.6)	8.1
Net other currencies	(2.5)	0.0	(2.5)
1H23	**9.2**	**(3.6)**	**5.6**

- $13.6m 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
  - $6.2m favourable impact from depreciation of the AUD relative to the USD and $8.4m favourable impact from AUD against GBP. Partially offsetting this was $1.0m adverse impact reflecting movements in TWE's other key currency exposures[2]
  - $0.9m relative positive impact from hedging in 1H24 versus the prior period

2H24 EBITS sensitivity and risk management

Currency Pair	Primary Exposure	Movement	FY24 H2 EBITS Sensitivity (A$m)
AUD/USD	COGS, EBITS	+ 1%	(2.4)
AUD/GBP	COGS, EBITS	+ 1%	(0.9)
CAD/USD	NSR	+ 1%	0.2
EUR/GBP	NSR, COGS	+ 1%	0.4

- 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 70% of 2H24 exposure protected against appreciation of the exchange rate above 0.56
  - AUD/USD: 74% of 2H24 exposure protected against appreciation of the exchange rate above 0.73

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

Metric (A$m unless otherwise stated)	Management calculation	1H24	1H23
EBITS	Statutory net profit	166.8	188.2
	Income tax expense	60.0	72.3
	Net finance costs	42.1	37.6
	Material items (gain) / loss	37.5	(19.7)
	SGARA (gain) / loss	(16.6)	29.0
	EBITS	**289.8**	**307.5**
EBITDAS	EBITS	289.8	307.5
	Depreciation & Amortisation	74.8	73.9
	EBITDAS	**364.6**	**381.3**
EPS[1,2]	Statutory net profit attributable to members of Treasury Wine Estates Limited	166.7	188.2
	Material items (gain) / loss	37.5	(19.7)
	Tax on material items	(8.5)	4.3
	SGARA	(16.6)	29.0
	Tax on SGARA	3.2	(8.2)
	NPAT (before material items & SGARA)	**182.3**	**193.7**
	Weighted average number of shares (millions)	741.5	728.7
	EPS (cents)	**24.6**	**26.6**
ROCE	EBITS (LTM)	565.8	568.8
	Net assets	3,852.9	3,911.1
	SGARA in inventory	(12.2)	(22.4)
	Net debt	1,263.8	1,245.1
	Capital employed – Current year[3]	**5,104.5**	**5,133.8**
	Net assets (CFX)	3,909.1	3,744.0
	SGARA in inventory (CFX)	(22.5)	(29.3)
	Net debt (CFX)	1,233.3	1,324.6
	Capital employed – Prior year (CFX)	**5,120.0**	**5,010.0**
	Average capital employed	5,112.2	5,071.9
	ROCE	**11.1%**	**11.2%**

1. Excludes earnings attributable to non-controlling interests
2. Earnings per share for the half year ended 31 December 2022 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 8 of the 2024 Interim Results Appendix 4D for details.
3. Capital employed adjusted to exclude net assets and debt associated with the acquisition of DAOU

2023 Fact Book

For further information on Treasury Wine Estates, please refer to our 2023 Fact Book, which is available at tweglobal.com

Definitions

Cash conversion	Net operating cash flows before financing costs, tax and material items divided by EBITDAS
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
CYXX	Calendar year ending 31 December 20XX
DTC	Direct to consumer
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 1H24: AUD/USD 0.6530 (1H23: AUD/USD 0.6701), AUD/GBP 0.5208 (1H23: AUD/GBP 0.5702) Period end exchange rates used for balance sheet items in 1H24: AUD/USD 0.6832 (F23: AUD/USD 0.6620), AUD/GBP 0.5364 (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 the addition of depreciation expense attributable to capitalised leases in the period per AASB 16 Leases
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.