TREASURY
WINE ESTATES

13 August 2020 **ASX ANNOUNCEMENT**

2020 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 13 August 2020. Links to register for the conference are provided in the 2020 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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F20 FULL YEAR RESULTS

TREASURY WINE ESTATES

13 August 2020

INTRODUCTION

Tim Ford Chief Executive Officer

TREASURY
WINE ESTATES

Our team presenting today

Tim Ford
Managing Director and Chief Executive Officer

Ben Dollard
President, Americas

Matt Young
Chief Financial Officer

Peter Neilson
Managing Director, Australia & New Zealand

Tom King
Managing Director, Asia

Michelle Brampton
Managing Director, EMEA

This is Treasury Wine Estates

We are a focused premium wine company with strong positions in key global markets

Growing global premium wine market[1]
> 70% of TWE revenue and increasing

Award winning and diversified portfolio of premium brands

Consumer and experience led brand building

Global distribution platform supporting sales in over 70 countries

Competitively advantaged and differentiated routes to market

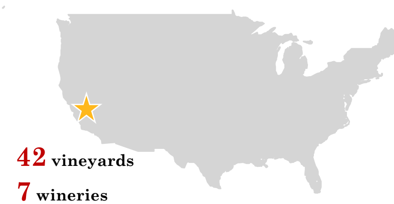
World class vineyard and production assets in internationally acclaimed wine-making regions

Global, multi-regional sourcing model

Global expertise with over 3,000 talented team members

#1 wine importer in China

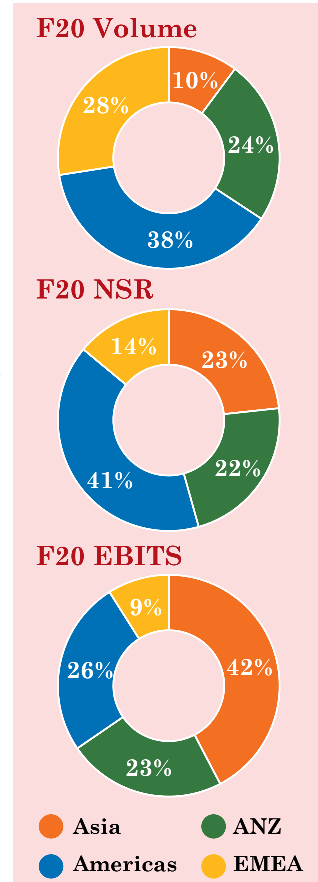
#2 luxury in US



#1 in Australia

#4 in the UK

★ Key geographic location



1. Luxury and masstige price points

Long term investment case driving growth through the cycle

Our ambition is to be the world's most admired premium wine company

LONG TERM INVESTMENT CASE

- Attractive category fundamentals
- Best global portfolio of premium wine brands
- Winning RTM model in all priority markets
- Unparalleled global asset base
- Strong and flexible capital structure

Through the cycle structural growth

Long-term Group EBITS margin ambition 25%+

Asia Leading in luxury wine

40% F20 EBITS margin

Expanding market leadership

Expand premium multi-country of origin portfolio
Drive distribution depth, breadth and availability
Target margin in the high 30% range

Americas Leader in premium

14% F20 EBITS margin

Deliver future state premium wine business

Restructure and drive mix shift to 25% margin
Invest behind focus brand portfolio
Drive distribution and availability of focus brands

ANZ Category leader

23% F20 EBITS margin

Elevate the category and target 25% share

Boldly innovate
Transform channel mix to drive expansion
Deliver to consumer need and occasion expansion

EMEA Dual premiumisation role

14% F20 EBITS margin

Develop premium multi-COO portfolio

Win in priority European cities and markets
Future priority sourcing region for luxury
Target mid-teens margin through premiumisation

Impact of COVID-19 in F20

TWE's diversified global business model is well placed to navigate COVID-19 impacts

Consumption & Sales Patterns	▪ In-home consumption has increased during lockdown periods ▪ Bricks and mortar retail and e-commerce channels are performing strongly ▪ Consumers are turning to well-known and trusted brands ▪ Luxury wine depletions were impacted by disruptions and closures in key non-retail sales channels[1] and reduced gatherings and social occasions ▪ Conditions in key markets improved through 4Q20, albeit at different rates across individual markets, while channels for higher-margin luxury wine in Australia and the US remain impacted
Supply Chain	▪ No material interruptions encountered through global operations ▪ 2020 Australian vintage successfully completed, with key restrictions and protocols enacted to ensure health and safety
Capital Structure	▪ Flexible and efficient capital structure a key strength for TWE ▪ $1.4bn liquidity position provides significant headroom and flexibility
People	▪ Flexible and remote work practices enacted ▪ Redeployment of resources to markets and channels where activity increased

1. Includes on-premise, cellar doors and global travel retail

COVID-19 Plan Ahead Agenda

Our plan is to emerge a fitter and stronger global business

	PEOPLE TRENDS	CONSUMPTION TRENDS	PURCHASING TRENDS
COVID-19 TREND	***Changes to work and lifestyle arrangements, with increased focus on personal health***	***At-home, food-led consumption is growing, as is demand for trusted and well-known brands***	***Convenience of purchase has become key to consumers, evidenced by the accelerated shift to e-commerce***
OUR FOCUS & PRIORITIES	▪ Develop the appropriate return to work models ▪ Progress efficiency of remote working and review workplace model ▪ Elevate employee support programs, focused on health & wellbeing ▪ Grow health conscious portfolio alternatives	▪ Increase investment in our focus brands ▪ Reimagine our approach to engaging the global luxury consumer ▪ Implement interactive models that enhance the in-home consumer experience ▪ Innovate hygiene friendly and sustainable pack formats	▪ Leverage consumer and customer data and insights to enhance engagement and drive transactions ▪ Accelerate investment behind existing and new DTC platforms and capability ▪ Partner with our customers to drive and maximise the e-commerce opportunity

F20 Financial Performance[1,2,3,4]

Resilient performance through challenging trading conditions

NSR
$2.65bn ▼ (6.4)%

NSR per case
$81.9 ▲ 2.6%

EBITS
$533.5m ▼ (21.7)%

EBITS margin
20.1% ▼ (4.0)ppts

NPAT
$315.8m ▼ (25.3)%

EPS
43.9cps ▼ (25.5)%

Cash conversion
94.7% ▲ 16.3ppts

Net debt / EBITDAS
2.2x ▲ 0.4x

ROCE
10.6% ▼ (3.3)ppts

Full year dividend
28.0cps ▼ (26.3)%

Luxury and masstige contribution to global NSR
71% ▲ 2.0ppts

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 are subject to rounding; prior year comparatives have been restated for the application of *AASB16 Leases*
3. Result Headlines metrics disclosed on a reported currency basis
4. Before material items and SGARA

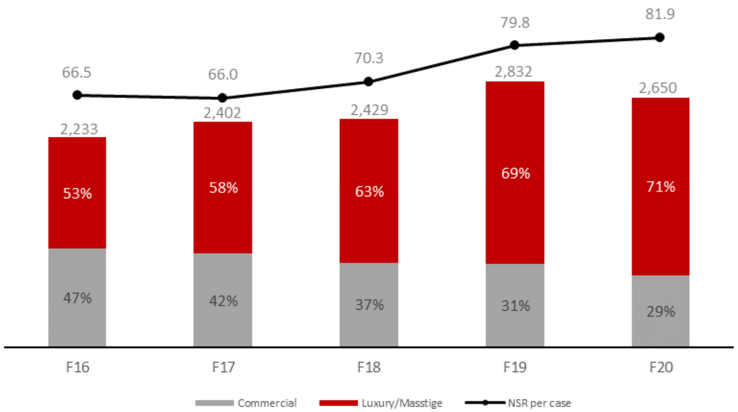
FINANCIAL PERFORMANCE

Matt Young Chief Financial Officer

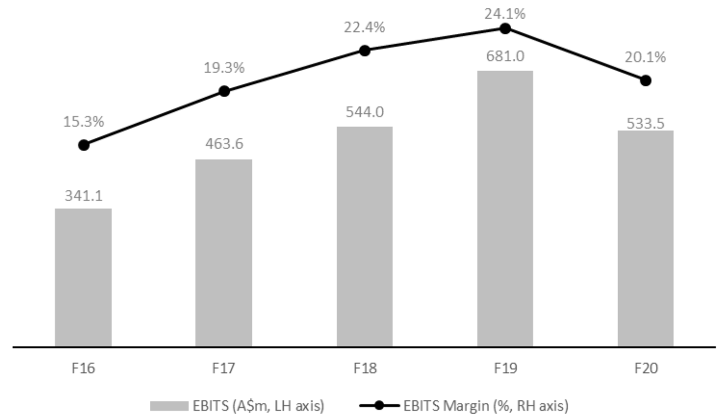
TREASURY WINE ESTATES

F20 result; key measures of performance[1,2]

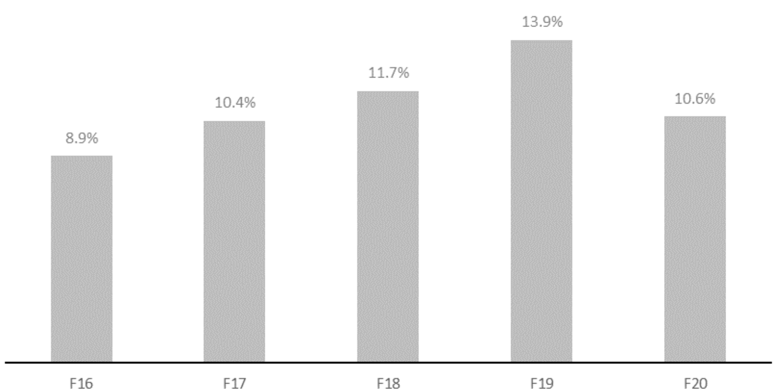
Group NSR (A$m) and NSR per case



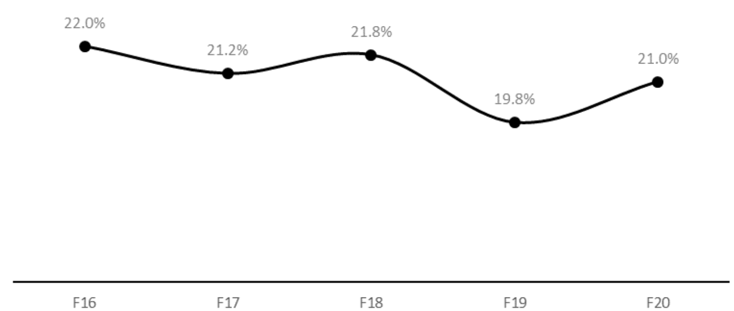
Group EBITS (A$m) and EBITS margin



Return on Capital Employed (ROCE)



Cost of Doing Business (CODB) Margin



1. Numbers subject to rounding
2. Prior year comparatives have been restated for the application of *AASB16 Leases*

TREASURY WINE ESTATES

F20 result; other earnings insights

Material Items	Benefits	Benefits from	Expected one-off cost	F20	F19
South Australian luxury expansion	1/3 luxury capacity increase	F25	$(35.0)m	$(25.3)m	$ -
Strategic Agenda - overhead & supply chain restructure	Overheads - $35m Supply Chain - $50m+	F21 F23+	$(45.0)m	$(11.3)m	$ -
Total Material Items			**$(80.0)m**	**$(36.6)m**	**$ -**

One-Off Items recognised through EBITS	F20	F20 Comments	F19
Net profit on disposal of non-current assets	$42.4m	Gain on sale of surplus US vineyard assets	$25.9m
Write down of assets	$(10.0)m	Costs related to Simplify for Growth initiatives, including the Global Business Services division, and restructuring of asset footprints. Costs primarily incurred in the Americas.	$(8.8)m
Restructuring and redundancies	$(10.1)m		$(24.1)m
Inventory	$(19.8)m	Pricing risk associated with challenging US bulk wine and grape supply market conditions	$(3.2)m
Trade receivables	$(7.0)m	Increased global provisions associated with general COVID-19 trading conditions	$(0.9)m
Net impact through P&L	**$(4.5)m**		**$(11.2)m**

Balance Sheet[1,2,3]

A$m	F20	F19
Cash & cash equivalents	449.1	401.8
Receivables	554.1	662.0
Current inventories	1,017.4	1,001.7
Non-current inventories	1,059.2	1,045.6
Property, plant & equipment	1,397.4	1,369.9
Right of use lease assets	517.0	535.9
Agricultural assets	34.1	29.4
Intangibles	1,331.6	1,308.9
Tax assets	183.5	187.0
Assets held for sale	74.3	78.3
Other assets	54.2	21.0
Total assets	**6,671.9**	**6,641.5**
Payables	682.1	718.6
Interest bearing debt	1,227.0	1,090.0
Lease liabilities	698.6	704.6
Tax liabilities	357.1	430.1
Provisions	59.2	48.0
Other liabilities	24.5	8.7
Total liabilities	**3,048.5**	**3,000.0**
Net assets	**3,623.4**	**3,641.5**

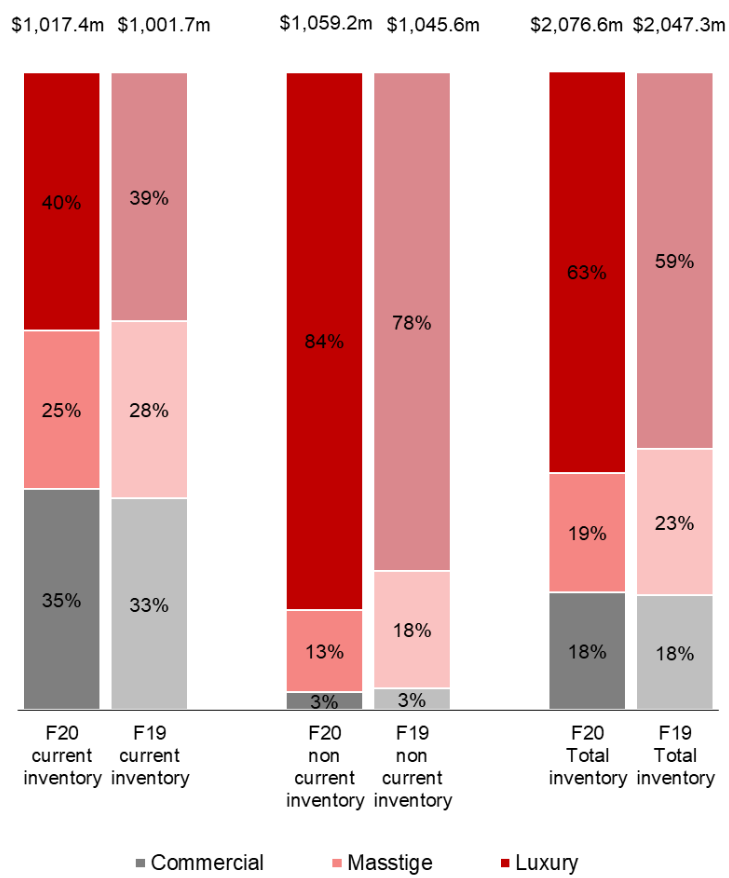
Strong, efficient and flexible balance sheet

- Net assets decreased $18.1m on a reported currency basis; adjusting for the movement in foreign currency, net assets decreased by $41.2m
- Key factors driving the movement in net assets included:
  - Higher interest bearing debt, principally the result of higher bilateral facility drawings in F20
  - Lower receivables reflecting the impact of lower sales in 2H20
  - Lower net tax liabilities due to the decline in the current year tax expense
- Modest increase in receivables ageing as TWE supports customers through recovery
- ROCE 10.6%, a decrease of 3.3 ppts in F20 a result of lower EBITS

1. Unless otherwise stated, all balance sheet percentage or dollar movements from the previous period are on a reported currency basis. Prior year comparatives have been restated for the application of *AASB16 Leases* and *IFRIC 23*, as disclosed in Note 32 of the Financial Statements
2. Working capital balances may include items of payables and receivables which are not attributable to operating activities
3. Borrowings have been reduced $41.7m (F19: $12.1m decrease) to reflect fair value hedges on a portion of US Private Placement notes

Inventory analysis

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



Flexible luxury wine allocation program a key strength

- Total inventory **volume** declined 9%, driven by the 2020 Australian vintage where intake was down approximately 30% versus the prior year, partially offset by the carry forward of unsold wine that had been previously allocated to 2H20
- Total inventory **value** increased $29.3m to $2,076.6m, with the higher average cost per case for the 2020 Australian and 2019 Californian vintages (the latter due to improved mix) offsetting the impact of the 9% volume decline
- Luxury inventory increased 8% to $1,305.6m:
  - Total luxury inventory volume declined 5% versus the prior year as a result of the 2020 Australian vintage where luxury intake was down approximately 45%, partially offset by the 2H20 inventory carry forward
  - Higher average cost per case for the 2020 Australian and 2019 Californian vintages were the key drivers of the higher luxury inventory value
  - TWE's flexible luxury wine allocation program is a key strength which allows it to manage through short term changes in demand or single vintage variation

1. Inventory composition subject to rounding. Totals based on sum of Non-Current and Current Inventory
2. Prior year has been restated for application of *AASB16 Leases*
3. TWE participates in three segments: Luxury (A$20+), Masstige (A$10-A$20) and Commercial (A$5-A$10). Segment price points are retail shelf prices

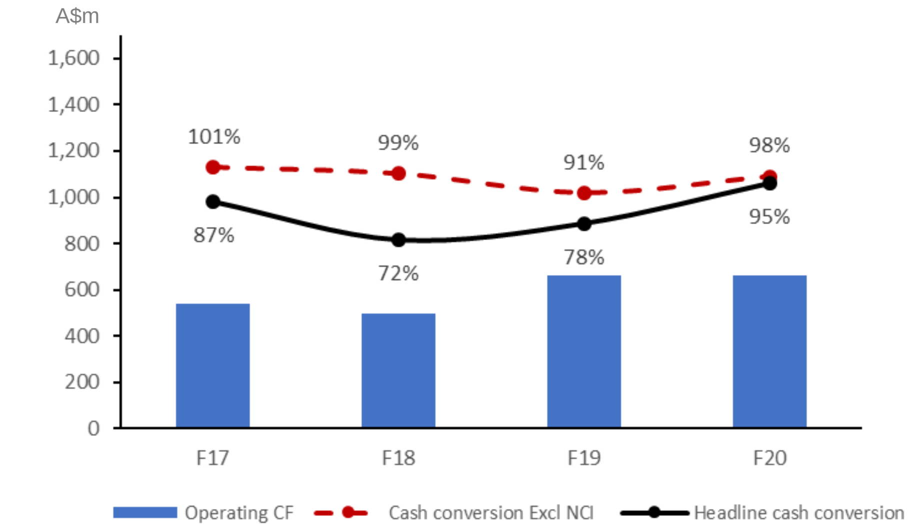
Cash flow and net debt[1]

A$m (unless otherwise stated)	F20	F19
EBITDAS	**697.9**	**842.9**
Change in working capital	(22.2)	(167.5)
Other items	(15.0)	(14.7)
Net operating cash flows before financing costs, tax & material items	**660.7**	**660.7**
Cash conversion	**94.7%**	**78.4%**
Payments for capital expenditure and subsidiaries	(188.8)	(160.7)
Proceeds from sale of assets	100.2	102.5
Cash flows after net capital expenditure, before financing costs, tax & material items	**572.1**	**602.5**
Net interest paid	(84.1)	(84.8)
Tax paid	(168.0)	(112.5)
Cash flows before dividends & material items	**320.0**	**405.2**
Dividends/distributions paid	(276.3)	(244.7)
Cash flows after dividends before material items	**43.7**	**160.5**
Material item cash flows	(19.8)	(1.5)
On-market share purchases	(4.9)	(16.6)
Total cash flows from activities (before debt)	**19.0**	**142.4**
Net (repayment) / proceeds from borrowings	28.8	169.1
Total cash flows from activities	**47.8**	**311.5**
Opening net debt	**(1,380.0)**	**(1,336.9)**
Total cash flows from activities (above)	19.0	142.4
Net lease liability additions	(41.3)	(117.8)
Net debt acquired	(4.9)	-
Debt revaluation and foreign exchange movements	(27.0)	(67.7)
Increase in net debt	**(54.2)**	**(43.1)**
Closing net debt	**(1,434.2)**	**(1,380.0)**

Operating cash flow performance remains strong

- Strong cash conversion of 94.7%, with lower 4Q20 sales and a smaller Australian vintage offset by higher levels of inventory for luxury wine that had been allocated to 2H20
- Cash conversion excluding the investment in non-current luxury and masstige inventory was 97.6%
- TWE targets cash conversion of approximately 90% or higher for each full financial year, excluding the annual change in non-current luxury and masstige inventory

Historic cash conversion performance[2]



1. All cash flow percentage or dollar movements from the previous corresponding period are on a reported currency basis
2. Cash conversion excluding non-current inventory investment excludes the annual change in Luxury and Masstige non-current inventory

Capital Expenditure

A$m	F20	F19
IT spend	16.2	16.6
Oak purchases[1]	2.4	1.1
Vineyard redevelopments	30.8	33.0
Upgrades to wine making equipment and facilities	25.3	32.3
Other capital expenditure	7.9	21.2
Total maintenance and replacement capex	**82.6**	**104.2**
Growth initiatives	70.9	20.7
Vineyard acquisitions	13.1	7.0
Investment in French productions assets	22.2	-
Total growth capex	**106.2**	**27.7**
Total capital expenditure	**188.8**	**131.9**
Net lease additions	41.3	117.8

Continuing to prioritise investment to support growth

- Capital expenditure (capex) $188.8m in F20, including:
  - Maintenance & replacement capex of $82.6m
  - Growth capex of $106.2m includes investments in South Australian Luxury wine making assets, acquisition of French production assets and vineyard acquisitions
- Net lease additions $ 41.3m were driven primarily by the lease extension for South Australian distribution centre
- In F21, capex is expected to include:
  - Maintenance and replacement expenditure of $100-110m
  - Growth capex of up to $90m to support future premiumisation and growth, including the investment in South Australian luxury winemaking assets
  - Capex will continue to be managed in accordance with management of cash flow and liquidity parameters
- South Australian luxury winemaking investment now expected to be completed for V22 and will support a one-third increase in production capacity for the luxury and masstige portfolios

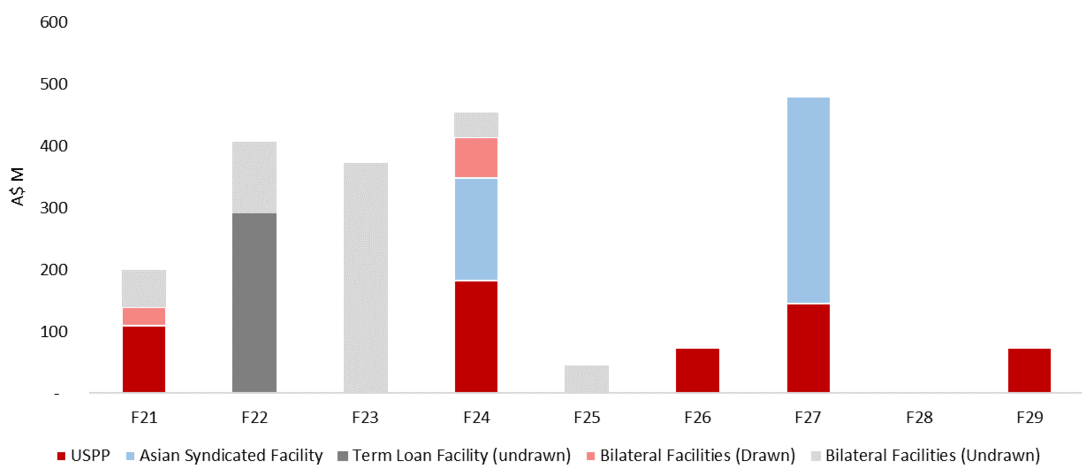
1. F19 has been restated to exclude oak purchases that were subsequently entered into leaseback arrangements. Following transition to *AASB16 Leases* these are deemed low value assets and therefore not treated as a lease liability.

Capital Management

TWE's strong, flexible and efficient capital structure retained; liquidity enhanced in 2H20

- Investment grade credit metrics maintained:
  - Net debt / EBITDAS[1] 2.2x at F20 (vs 1.8x at F19) and interest cover 10.1x
  - TWE is confident of maintaining the below 2.0x net debt / EBITDAS target through the cycle
- Total available liquidity $1.4bn, comprising cash $449.1m and undrawn committed facilities of approximately $920.2m
  - Key funding highlights include refinancing and restoration of 7-year tranche of Asian syndicated facility and establishment of US$200m term loan facility to provide enhanced liquidity through the COVID-19 period
- Strong capital structure and liquidity position supports the maintenance of TWE's long-term dividend policy
  - F20 final dividend of 8.0 cents per share declared, fully franked, representing a 64% NPAT payout ratio[2]

Maturity profile – committed debt facilities



1. Ratio of total Net Borrowings to last twelve-month EBITDAS, includes capitalised leases in accordance with *AASB16 Leases*, with the prior year comparative having been restated
2. TWE targets a dividend payout ratio of 55-70% of NPAT (pre-material items and SGARA) over a fiscal year

TREASURY WINE ESTATES

REGIONAL PERFORMANCE

Tom King Managing Director Asia

Ben Dollard President Americas

Peter Neilson Managing Director ANZ

Michelle Brampton Managing Director EMEA

TREASURY WINE ESTATES

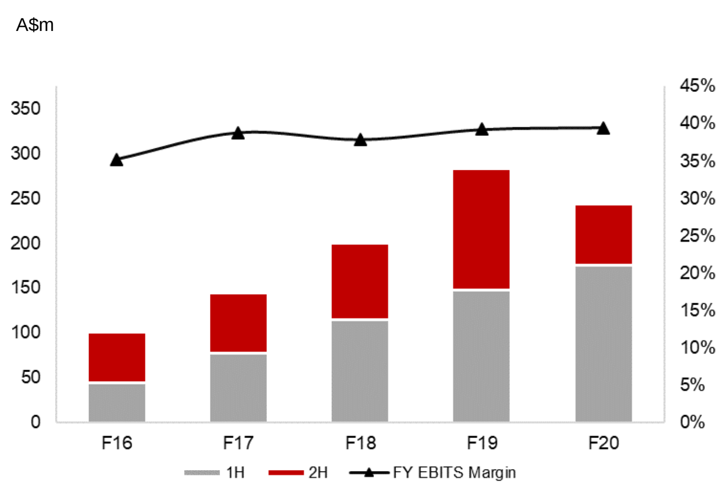
Asia

Strong market fundamentals remain in place, with return to depletions growth in 4Q20 a positive

Asia regional performance

$Am	F20	F19	%	F19	%
	Reported Currency			Constant Currency	
NSR	617.1	721.4	(14.5)%	723.4	(14.7)%
NSR per case	187.78	167.58	12.1%	168.04	11.7%
EBITS	243.7	283.0	(13.9)%	274.5	(11.2)%
EBITS margin (%)	39.5%	39.2%	0.3ppts	37.9%	1.6ppts

Historical EBITS and margin performance[1]



Business headlines

- EBITS declined 11.2% and EBITS margin rose 1.6ppts to 39.5%:
  - Volume and NSR declines of 23.7% and 14.7% respectively were the key driver, a result of COVID-19 impacts throughout the region in 2H20
  - Offsetting and supporting the maintenance of EBITS margin were the 11.7% improvement in NSR per case, reflecting continued portfolio premiumisation, and improved CODB
- In China, depletions were up 13% in 4Q20 versus the pcp, including growth of approximately 40% in June, after having been down by more than 50% in February and March
- Focus brand portfolio depletions grew and made significant market share gains across the region
- TWE maintains appropriate and planned inventory channels throughout the region; forward days of inventory cover at June are lower versus prior year
- TWE targets EBITS margin in the high 30% range

F20 luxury and masstige contribution to Asia NSR 89% ▲ 3ppts in F20

1. Presented on a reported currency basis, prior year comparatives have been restated for AASB16 Leases, as disclosed in Note 32 of the Financial Statements and includes the reclassification of $11.5m F19 EBITS for the Middle East & Africa region, from Asia to EMEA

Asia Brand Highlights

Recruiting New Consumers

Rawson's Retreat Your Ideal Wine Moment Platform

Driving Premiumisation

Penfolds Bin 389 60th Anniversary Year of the Rat Special Edition

Consumer Experiences

Wolf Blass Michelin South East Asia Food & Wine Partnership

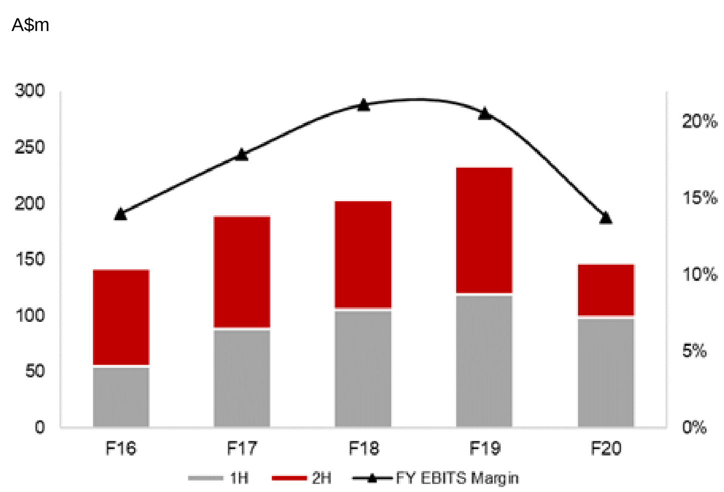
Americas

Focus brand portfolio continues to grow strongly despite challenging US market conditions

Americas regional performance

$Am	F20	F19	%	F19	%
	Reported Currency			Constant Currency	
NSR	1,069.4	1,134.4	(5.7)%	1,209.6	(11.6)%
NSR per case	86.06	80.87	6.4%	86.24	(0.2)%
EBITS	147.3	233.4	(36.9)%	262.1	(43.8)%
EBITS margin (%)	13.8%	20.6%	(6.8)ppts	21.7%	(7.9)ppts

Historical EBITS and margin performance[1]



Business headlines

- EBITS declined 43.8% and EBITS margin was 7.9ppts lower to 13.8%, reflecting:
  - Volume and NSR declines of 11.4% and 11.6% respectively as a result of challenging US wine market conditions and the impact of COVID-19 to key sales channels outside of retail and e-commerce where sales are weighted to higher margin, luxury wine[2]
  - Higher COGS per case, up 9%, driven by higher costs on US luxury wine releases in F20 and Australian commercial sourced wine
- In the US, shipments were below depletions by 7%, driven by industry wide working capital management by distributors
- TWE's focus brand portfolio performed strongly, partially offsetting the decline in the commercial portfolio
- TWE has commenced key initiatives to deliver a future state premium wine business in the US
- 25% medium-term EBITS margin target maintained

F20 luxury and masstige contribution to Americas NSR 71% ▲ 4ppts in F20

1. Presented on a reported currency basis, prior year comparatives have been restated for AASB16 Leases, as disclosed in Note 32 of the Financial Statements
2. Includes on-premise, cellar doors and global travel retail and represented approximately 12% of volume and 25% of revenue in F19

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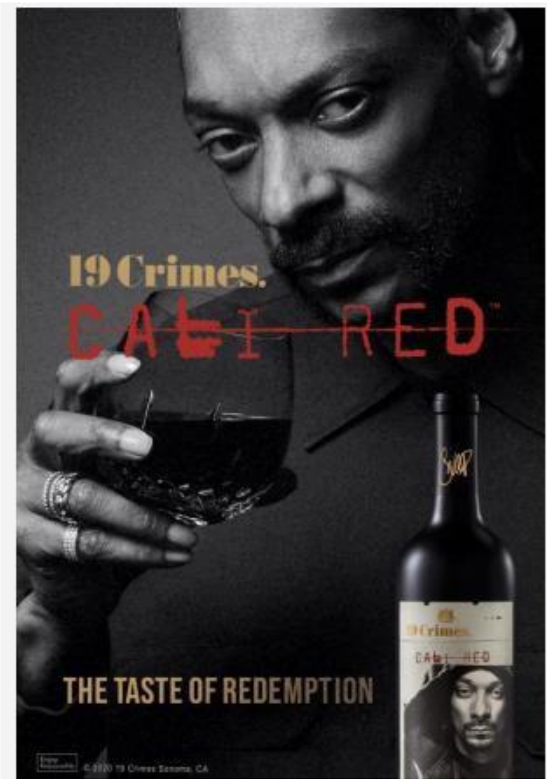
Americas Brand Highlights

Recruiting New Consumers

19 Crimes Cali Red Snoop Dogg Partnership



Driving Premiumisation, Connecting Digitally

Stags' Leap DTC Acceleration Through COVID-19

Growing Our Heartland

Matua Refreshment Platform & Coldbox Distribution Gains

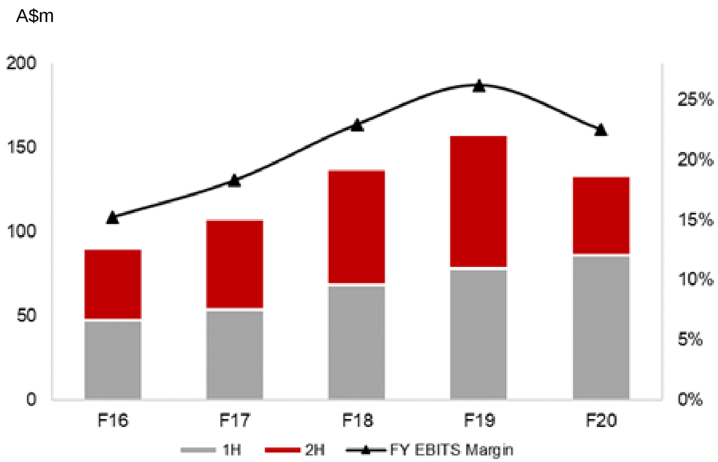
Australia & New Zealand

Continued positive momentum in growing masstige portfolio, led by key focus brands

ANZ regional performance

$Am	F20	F19	%	F19	%
	Reported Currency			Constant Currency	
NSR	592.4	602.3	(1.6)%	602.4	(1.7)%
NSR per case	76.12	75.89	0.3%	75.90	0.3%
EBITS	133.3	158.0	(15.6)%	153.3	(13.0)%
EBITS margin (%)	22.5%	26.2%	(3.7)ppts	25.4%	(2.9)ppts

Historical EBITS and margin performance[1]



Business headlines

- EBITS declined 13.0% and EBITS margin fell 2.9ppts to 22.5%, reflecting:
  - Volume and NSR declines of 1.9% and 1.7% respectively, with strong retail channel performance and increased purchasing through e-commerce in 2H20 being more than offset by the closure of key sales channels outside of retail and e-commerce where sales are weighted to higher margin, luxury wine[2]
  - Higher COGS per case, up 4.3%, on Australian sourced commercial and masstige wine from the 2019 vintage
- Market growth is being driven by the $10-20 price point, where TWE is growing ahead of the market led by its focus brands[3]
- TWE continues to target a 25% market share in ANZ; current value share 21%[4]

F20 luxury and masstige contribution to ANZ NSR 75% ▲ 2ppts in F20

1. Presented on a reported currency basis, prior year comparatives have been restated for AASB16 Leases, as disclosed in Note 32 of the Financial Statements
2. Includes on-premise, cellar doors and global travel retail and represented approximately 11% of volume and 20% of revenue in F19
3. Aztec sales value data, bottle and canned wine only, Australia Liquor weighted, quarter & FY to 21 June
4. Aztec sales value data, bottle and canned wine only, Australia Liquor weighted, MAT to 7 June

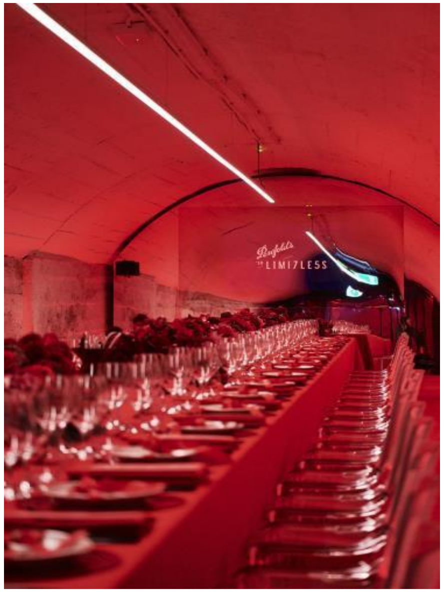
ANZ Brand Highlights

Recruiting New Consumers

19 Crimes Disruptive Integrated Activations

Driving Premiumisation

Penfolds 175th Anniversary & 100 Point Special Bin 111A



Growing Our Heartland

Leveraging Partnerships for Long Term Brand Growth

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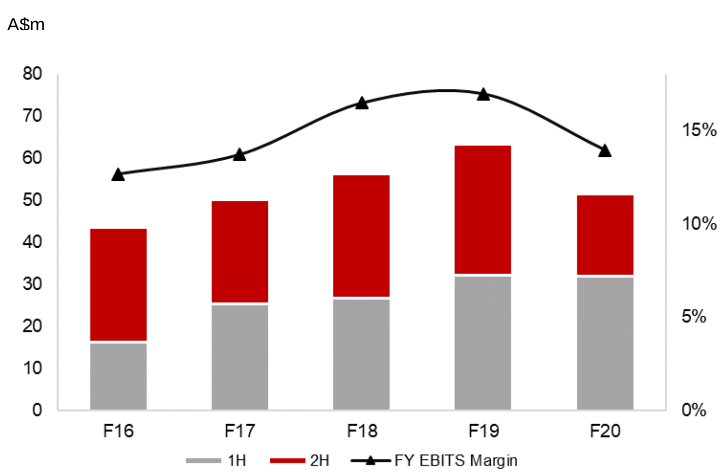
Europe, Middle East & Africa

Resilient performance through challenging conditions; mid-teens EBITS margin maintained

EMEA regional performance

$Am	F20	F19	%	F19	%
	Reported Currency			Constant Currency	
NSR	370.6	373.5	(0.8)%	384.9	(3.7)%
NSR per case	41.81	40.47	3.3%	41.70	0.3%
EBITS	51.7	63.3	(18.3)%	68.7	(24.7)%
EBITS margin (%)	14.0%	16.9%	(2.9)ppts	17.8%	(3.8)ppts

Historical EBITS and margin performance[1]



Business headlines

- EBITS declined 24.7% and EBITS margin fell 3.8ppts to 14.0% as a result of:
  - Volume and NSR declines of 4.0% and 3.7% respectively, with 2H20 declines due to COVID-19 closures in Continental Europe and Middle East & Africa partly offset by strong masstige performance through retail channels in the UK
  - Higher COGS per case, which increased 6.7%, reflecting masstige-led mix shift and higher costs on Australian and US sourced commercial wine
- Targeting mid-teen EBITS margin in F21 with benefits of premiumisation and cost efficiencies to be more than offset by impacts of higher Australian commercial sourced COGS

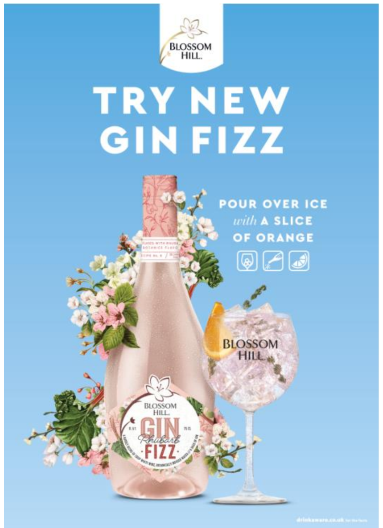
F20 luxury and masstige contribution to EMEA NSR 35% ▲ 3ppts in F20

1. Presented on a reported currency basis, prior year comparatives have been restated for AASB16 Leases, as disclosed in Note 32 of the Financial Statements, and includes the reclassification of $11.5m F19 EBITS for the Middle East & Africa region, from Asia to EMEA

EMEA Brand Highlights

Recruiting New Consumers

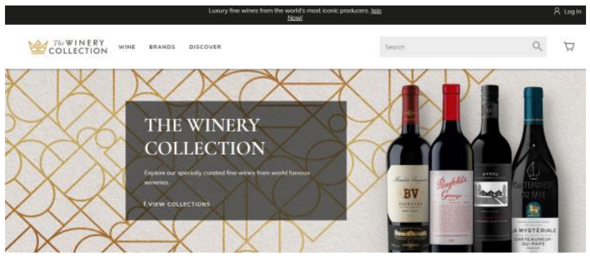
Blossom Hill Gin Fizz Launch

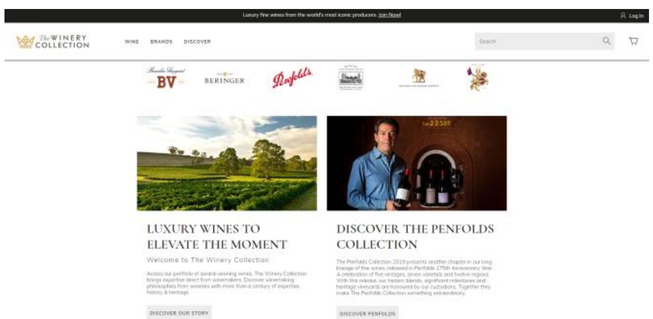


Driving Premiumisation

Premium DTC Platform Launch

The WINERY COLLECTION





Growing Our Heartland

Wolf Blass Deliveroo Partnership Through COVID-19

STRATEGIC AGENDA & OUTLOOK

Tim Ford Chief Executive Officer

TREASURY WINE ESTATES

TWE 2025

TWE *Ambition*

To be the world's **most admired premium** wine company

TWE *Way*

We boldly lead change in the world of wine

TWE GAME *Plan*

How we will win

- Consumer focused premium **brand portfolio**
- Multi-regional & multi-channel **sales** models
- World class **talent**
- Sustainable & multi-regional **sourcing & winemaking**
- Deep, long-term **partnerships** & networks

TWE 2025

WHAT ARE THE ELEMENTS & HOW DOES IT ALL COME TOGETHER?

TWE *DNA*

Our cultural code

- We bring our **whole self**
- We are **courageous**
- We deliver **together**

Executing the Game Plan – our F21 priorities

Execution of key F21 priorities will accelerate our through the cycle growth ambitions

01	02	03	04	05
Manage performance	**Shift to a consumer-led marketing model**	**Optimise our global supply chain**	**Deliver the future state US wine business**	**Accelerate separate focus across portfolio**
▪ Stay the course where we are winning ▪ Continue partnering with our customers and suppliers to manage through recovery ▪ Maintain tight cost and capital discipline ▪ Implement the COVID-19 Plan Ahead Agenda to capture opportunities	▪ Embed consumer and experience led marketing model ▪ Prioritise insight and data-led decision making ▪ Implement fewer, bigger and more disruptive campaigns on focus brands ▪ Bold innovation to meet consumer occasions	▪ Continue to grow access to luxury wine from multiple COO ▪ Reduce our global cost to serve ▪ Optimise sourcing with a focus on sustainability ▪ Maximise asset utilisation ▪ Annualised cost savings of $50m+ to be delivered by F23[1]	▪ Position for long term growth in the US ▪ Improve shape of P&L and progress towards medium-term 25% EBITS margin target ▪ Explore divestiture of selected brands and assets and reduce lower margin commercial volume ▪ Operating model and organisational changes completed, $35m+ savings from F21[1]	▪ Long-term value creation expected from a separate focus for Penfolds and our other premium brands ▪ Determine operating model that best delivers growth and value creation ▪ Alternatives include the potential demerger of Penfolds or internal divisionalisation ▪ TWE intends to provide a further update by the 1H21 results

1. Total program costs of approximately $45m to be incurred across F20 and F21, and to be treated as a material item (excludes any potential future impacts of brand divestments)

Delivering a future state premium US wine business

Progress update of key business restructuring initiatives to be delivered through to 1H22

#1 *Adjust operating model and organisational structure*

Key actions completed 4Q20

Re-designed sales and marketing operating model and organisation structure in place

$35m+ benefit F21 onwards

#2 *Restructuring of supply chain to reduce COGS*

Work underway as part of the global supply chain transformation

$50m+ globally annualised COGS savings by F23 will include the Americas

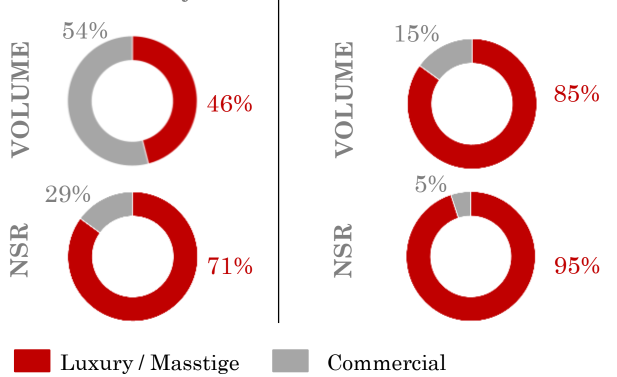
#3 *Reduction of lower margin commercial tier brands*

Tail brands to be rationalized and progressively run down

#4 *Divestiture of brands and production assets*

Exploring the potential divestiture of selected brands and assets in the US

A future state premium wine business



F17-20 focus brand CAGR

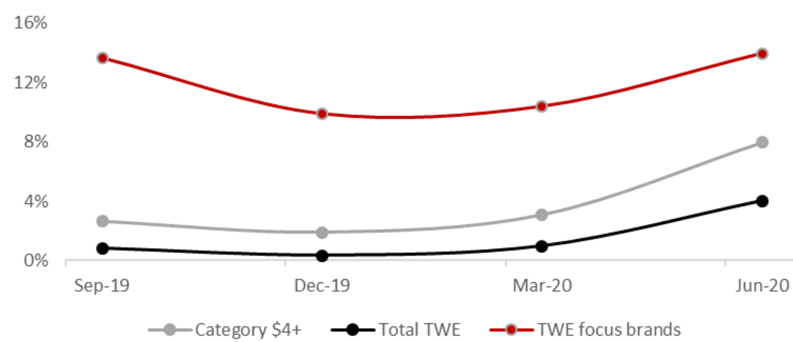
Volume

+7.1%

NSR

+15.8%

Our focus brands are outperforming the category in US retail[2]



Future state business with broadly half the volume, similar earnings and progress towards 25% EBITS margin ambition

1. Following completion of restructuring initiatives
2. IRI Market Advantage, Multi-Liquor Outlet + Convenience, Moving Annual Target

Accelerate the separate focus across portfolio

A separate focus across the portfolio will drive long-term growth and value creation

	Penfolds	TWE premium portfolio
Brand hierarchy	High-end luxury brand with differentiated price tiers	Portfolio of differentiated premium wine brands
Portfolio centre of gravity (A$)	$80 - $100	$10 - $30
Target consumer	Engaged wine connoisseur who seeks quality and luxury credentials	Premium wine consumer who values differentiated brands and enjoys variety across multiple occasions
Strategic priorities	Expand sourcing capacity, including French and US COO products Build distribution through Asia and the US	Drive portfolio innovation and manage brand lifecycles Grow luxury and masstige portfolios in key markets Optimise the asset base
Future growth drivers	Brand with a distinct luxury voice, targeting a greater number of global consumers	Portfolio of differentiated brands, valued by customers and consumers for a greater number of occasions

Summary and outlook

- F20 result reflects resilient performance despite two significant market-driven factors: COVID-19 and challenging conditions in the US wine market
- TWE has remained profitable, with strong cash conversion and a healthy balance sheet
- While positive signs of recovery have emerged recently, TWE remains cautious on the near-term outlook given the uncertainty that remains around the pace of recovery
- TWE is very well placed to return to growth in the future, once markets stabilise, supported by:
  - The best global portfolio of premium wine brands, with strong market positions, global distribution footprint, a world class asset base and a strong and flexible capital structure
  - A strategic agenda that sets the priorities for F21, is focused on addressing nearer term challenges and lays the foundations for longer term growth
  - A clear strategic blueprint – TWE 2025 – that lays out the ambition, game plan and DNA


QUESTIONS
BERINGER
SINGLE VINEYARD

SUPPLEMENTARY INFORMATION

Volume

(Volume, m 9Le)	F20	F19	%
Americas	12.4	14.0	(11.4)%
Asia	3.3	4.3	(23.7)%
EMEA	8.9	9.2	(4.0)%
ANZ	7.8	7.9	(1.9)%
TWE EBITS	**32.4**	**35.4**	**(8.8)%**

- **Americas:** Lower volume driven by 17% decline in 2H20 volumes with Commercial volumes down 19%
- **Asia:** Volume decline 23.7% driven by 2H20 declines across all key regions and all price points.
- **ANZ:** Volume decline 1.9% with 2H20 gains offset by volume decline in 1H. 2H volumes +3.4% driven by Masstige led growth
- **EMEA:** Volume declines in Continental Europe and Middle East & Africa partly offset by strong masstige portfolio performance in the UK

Profit & Loss[1]

$Am (unless otherwise stated)	First Half					Second Half					Full Year				
	F20	F19	Change	F19 Constant Currency	Change	F20	F19	Change	F19 Constant Currency	Change	F20	F19	Change	F19 Constant Currency	Change
Net sales revenue	1,536.1	1,507.7	1.9 %	1,546.4	(0.7)%	1,113.4	1,323.9	(15.9)%	1,373.9	(19.0)%	2,649.5	2,831.6	(6.4)%	2,920.3	(9.3)%
NSR per case ($)	*87.00*	*80.64*	*7.9 %*	*82.71*	*5.2 %*	*75.72*	*78.80*	*(3.9)%*	*81.78*	*(7.4)%*	*81.88*	*79.77*	*2.6 %*	*82.27*	*(0.5)%*
Other Revenue	15.1	30.1	(49.8)%	30.8	(51.0)%	13.6	21.3	(36.2)%	21.0	(35.2)%	28.7	51.4	(44.2)%	51.8	(44.6)%
Cost of goods sold	(868.0)	(884.9)	1.9 %	(909.8)	4.6 %	(720.9)	(757.6)	4.8 %	(786.6)	8.4 %	(1,588.9)	(1,642.5)	3.3 %	(1,696.4)	6.3 %
Cost of goods sold per case ($)	*49.16*	*47.33*	*(3.9)%*	*48.66*	*(1.0)%*	*49.03*	*45.09*	*(8.7)%*	*46.82*	*(4.7)%*	*49.10*	*46.27*	*(6.1)%*	*47.79*	*(2.7)%*
Gross profit	683.2	652.9	4.6 %	667.4	2.4 %	406.1	587.6	(30.9)%	608.3	(33.2)%	1,089.3	1,240.5	(12.2)%	1,275.7	(14.6)%
Gross profit margin (% of NSR)	*44.5%*	*43.3%*	*1.2ppts*	*43.2%*	*1.3ppts*	*36.5%*	*44.4%*	*(7.9)ppts*	*44.3%*	*(7.8)ppts*	*41.1%*	*43.8%*	*(2.7)ppts*	*43.7%*	*(2.6)ppts*
Cost of doing business	(316.5)	(306.0)	*(3.4)%*	(311.1)	*(1.7)%*	(239.3)	(253.5)	*5.6 %*	(262.6)	8.9 %	(555.8)	(559.5)	*0.7 %*	(573.7)	3.1 %
Cost of doing business margin (% of NSR)	*20.6%*	*20.3%*	*(0.3)ppts*	*20.1%*	*(0.5)ppts*	*21.5%*	*19.1%*	*(2.4)ppts*	*19.1%*	*(2.4)ppts*	*21.0%*	*19.8%*	*(1.2)ppts*	*19.6%*	*(1.4)ppts*
EBITS (before material items)	**366.7**	**346.9**	**5.7 %**	**356.3**	**2.9 %**	**166.8**	**334.1**	(50.1)%	**345.7**	(51.8)%	**533.5**	**681.0**	(21.7)%	**702.0**	(24.0)%
EBITS margin (%)	*23.9%*	*23.0%*	*0.9ppts*	*23.0%*	*0.9ppts*	*15.0%*	*25.2%*	*(10.2)ppts*	*25.2%*	*(10.2)ppts*	*20.1%*	*24.1%*	*(4.0)ppts*	*24.0%*	*(3.9)ppts*
SGARA	(2.6)	(6.2)	58.1 %	(6.6)	60.6 %	(38.7)	(13.5)	(186.7)%	(13.6)	(184.6)%	(41.3)	(19.7)	(109.6)%	(20.2)	(104.5)%
EBIT (before material items)	**364.1**	**340.7**	**6.9 %**	**349.7**	**4.1 %**	**128.1**	**320.6**	**(60.0)%**	**332.1**	**(61.4)%**	**492.2**	**661.3**	**(25.6)%**	**681.8**	**(27.8)%**
Net finance costs	(44.8)	(40.7)	(10.1)%	(42.2)	(6.2)%	(41.1)	(45.0)	8.7 %	(46.9)	12.4 %	(85.9)	(85.7)	(0.2)%	(89.1)	3.6 %
Tax expense	(91.9)	(86.6)	(6.1)%	(87.2)	(5.4)%	(27.4)	(80.5)	66.0 %	(79.7)	65.6 %	(119.3)	(167.1)	28.6 %	(166.9)	28.5 %
Net profit after tax (before material items)	**227.4**	**213.4**	**6.6 %**	**220.3**	**3.2 %**	**59.6**	**195.1**	**(69.5)%**	**205.5**	**(71.0)%**	**287.0**	**408.5**	**(29.7)%**	**425.8**	**(32.6)%**
Material items (after tax)	(16.0)	-	-	-	-	(10.2)	-	-	-	-	(26.2)	-	-	-	-
Net profit after tax	**211.4**	**213.4**	**(0.9)%**	**220.3**	**(4.0)%**	**49.4**	**195.1**	(74.7)%	**205.5**	(76.0)%	**260.8**	**408.5**	(36.2)%	**425.8**	(38.8)%
Reported EPS (A¢)	29.4	29.7	(1.0)%	30.7	(4.2)%	6.9	27.2	(74.6)%	28.6	(75.9)%	36.2	56.9	(36.4)%	59.3	(39.0)%
Net profit after tax (before material items and SGARA)	**229.2**	**218.1**	**5.1 %**	**225.0**	**1.9 %**	**86.6**	**204.7**	**(57.7)%**	**215.6**	**(59.8)%**	**315.8**	**422.8**	**(25.3)%**	**440.6**	(28.3)%
EPS (before material items and SGARA) (A¢)	31.9	30.4	4.9 %	31.3	1.9 %	12.0	28.5	(57.9)%	30.0	(60.0)%	43.9	58.9	(25.5)%	61.3	(28.4)%
Average no. of shares (m)	719.5	718.3		718.3		719.9	718.4		718.4		719.9	718.4		718.4	
Dividend (A¢)	20.0	18.0	11.1 %	18.0	11.1 %	8.0	20.0	(60.0)%	20.0	(60.0)%	28.0	38.0	(26.3)%	38.0	(26.3)%

1. Prior year comparatives have been restated for *AASB16 Leases* and *IFRIC 23*, as disclosed in Note 32 of the Financial Statements

Impact of foreign exchange rate movements & hedging

F20 constant currency impact

CFX Impact (A$m)			
Currency	**Underlying**	**Hedging[1]**	**Total**
AUD/USD and AUD/GBP	34.0	(3.4)	30.6
Net other currencies	(9.6)	(0.0)	(9.6)
F20	**24.4**	**(3.4)**	**21.0**
AUD/USD and AUD/GBP	28.9	(4.8)	24.1
Net other currencies	(9.7)	0.7	(9.0)
F19	**19.2**	**(4.1)**	**15.1**

- $21.0m constant currency foreign exchange benefit in F20 (comprising transaction and translation impacts)
- TWE has a diversified portfolio of currency exposures where production cost currencies and revenue generating currencies are not matched
  - $34.0m benefit from depreciation of the AUD relative to the main currency pairs (USD and GBP), offset by ($9.6m) adverse revenue impact largely reflecting movements in TWE's primary revenue currencies[2]
  - $3.4m relative impact from hedging in F19 versus the prior year ($5.6m realised loss in F20 vs $2.2m loss in the prior year based on constant currency basis)

F21 EBITS sensitivity and risk management

Currency Pair	Primary Exposure	Movement	EBITS Sensitivity (A$m)
AUD/USD	COGS, EBITS	+1%	(3.7)
AUD/GBP	COGS, EBITS	+1%	(1.2)
CAD/USD	NSR	+1%	1.1
EUR/GBP	NSR	+1%	0.7
USD/GBP	COGS	+1%	(0.3)

- The sensitivity of EBITS to a 1% change in primary cost and revenue currencies is shown in the accompanying table (excludes potential impact of currency hedging)
- TWE maintains an active foreign exchange risk management strategy, focused on the transactional exposures associated with the Commercial and lower Masstige price segments:
  - AUD/GBP: 51% of F21 exposure protected against appreciation of the exchange rate above 0.57
  - AUD/USD: 61% of F21 exposure protected against appreciation of the exchange rate above 0.65

1. CFX hedging impact relative to the prior year
2. USD relative to the CAD in the Americas, GBP relative to the EUR, SEK and NOK in Europe

Definitions

Term	Definition
CAGR	Compound annual growth rate
Constant currency	Throughout this presentation, constant currency assumes current and prior period earnings of foreign operations are translated and cross border transactions are transacted at current year exchange rates
COO	Country of origin
NSR	Net sales revenue
EBITDAS	Earnings before interest, tax, depreciation, amortization, material items and SGARA
EBITS	Earnings before interest, tax, materials items and SGARA
EBIT	Earnings before interest, tax and material items
Exchange rates	Average exchange rates used for profit and loss purposed in the F20 results are: $A1 = $US 0.6711 (F19: $A1 = $US 0.7154), $A1 = GBP 0.5326 (F19: $A1 = GBP 0.5528), Period end exchange rates used for balance sheet items in F20 results are: $A1 = $US 0.6874 (F19: $A1 = $US 0.7005), $A1 = GBP 0.5584 (F19: $A1 = GBP 0.5529)
NPAT	Net profit after tax
ROCE	Return on Capital Employed
SGARA	Australian accounting standard AASB 141 “Agriculture”. From 1 July 2016, changes to AASB 141 applied in respect of vine assets. Vines are no longer recorded at fair value, but are recorded at cost and depreciated
Shipment	Shipments refer to volume movements from TWE to a third party off-premise or on-premise distributor or retailer
Depletion	Depletions refer to volume movements from a distributor to an off-premise or on-premise retailer

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