



## TREASURY WINE ESTATES

4 May 2022

**ASX ANNOUNCEMENT**

### **Macquarie Australia Conference Presentation**

Chief Executive Officer and Managing Director of Treasury Wine Estates Ltd (ASX:TWE), Tim Ford, will today provide an address at the Macquarie Australia Conference. Enclosed are the presentation materials.

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

#### **Contacts:**

##### **Media**

Melissa O'Neill  
Tel: +61 3 8533 3923  
Mob: +61 467 555 175

##### **Investors**

Bijan Taghian  
Tel: +61 3 8533 3568  
Mob: +61 433 173 664





TREASURY  
WINE ESTATES

# The Global Wine Opportunity Macquarie Australia Conference

TIM FORD, CHIEF EXECUTIVE OFFICER  
4 MAY 2022

# Disclaimer

This presentation is in summary form and is not necessarily complete. It should be read together with the Company's other announcements lodged with the Australian Securities Exchange, which are available at [www.asx.com.au](http://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 the significant volatility, uncertainty and disruption caused by COVID-19, exchange rate impacts given the global nature of our business, vintage variations and the evolving nature of global geopolitical dynamics.

While the Company has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved 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.

# This is Treasury Wine Estates



Premium focused and consumer-led global wine company



Award winning portfolio of premium wine brands



Sales in over 70 countries across multiple distribution channels



World class asset base in internationally acclaimed wine making regions



2,600 talented team members with global expertise

# Our long-term investment case

The key elements that support our through the cycle growth ambitions



**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**



# We have exceptional brands

A deep and diverse portfolio, growing through consumer-led focus and innovation



**Penfolds** | A global luxury icon and the world's most admired wine brand<sup>1</sup>



**19 Crimes** | A global phenomenon, with over 5m cases sold in F21 and growing



**Stags' Leap** | Napa Valley's finest and a top five US super luxury brand



**Frank Family Vineyards** | Fast growing, top two US super luxury chardonnay



**Squealing Pig** | Lifestyle-focused and innovating to meet consumer needs



**Pepperjack** | One of Australia's leading brands, including the top shiraz

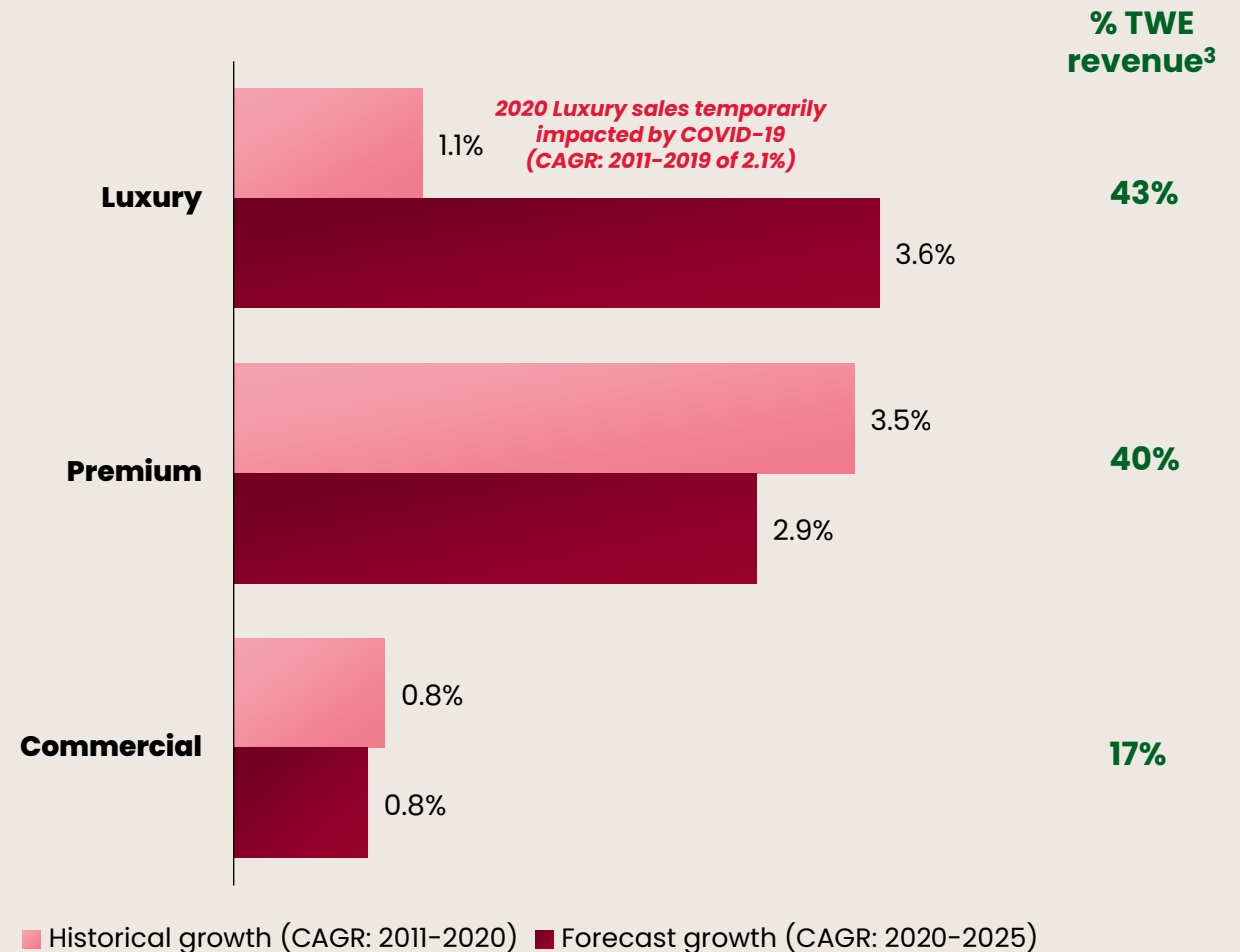
<sup>1</sup> Drinks International annual poll (2016, 2019)

# Global category outlook

Category growth is being driven globally by the premium and luxury price points

- Consumers are trading up, driven by younger age groups and continued emergence of the 'buy better' trend
- Our portfolio structure and premiumisation strategy are an excellent platform from which to harness this powerful trend
- Within luxury and premium, champagne and sparkling wine trends are strong, and are expected to outpace overall category growth
- **Premium and luxury wine is forecast to become a \$120bn market by 2025<sup>1</sup>, and we intend to be the clear leader globally**

## Global wine category growth trends<sup>2</sup>



<sup>1,2</sup> IWSR 2021, still and sparkling wine only, A\$ equivalent, portfolio price points per IWSR segmentation, value growth shown

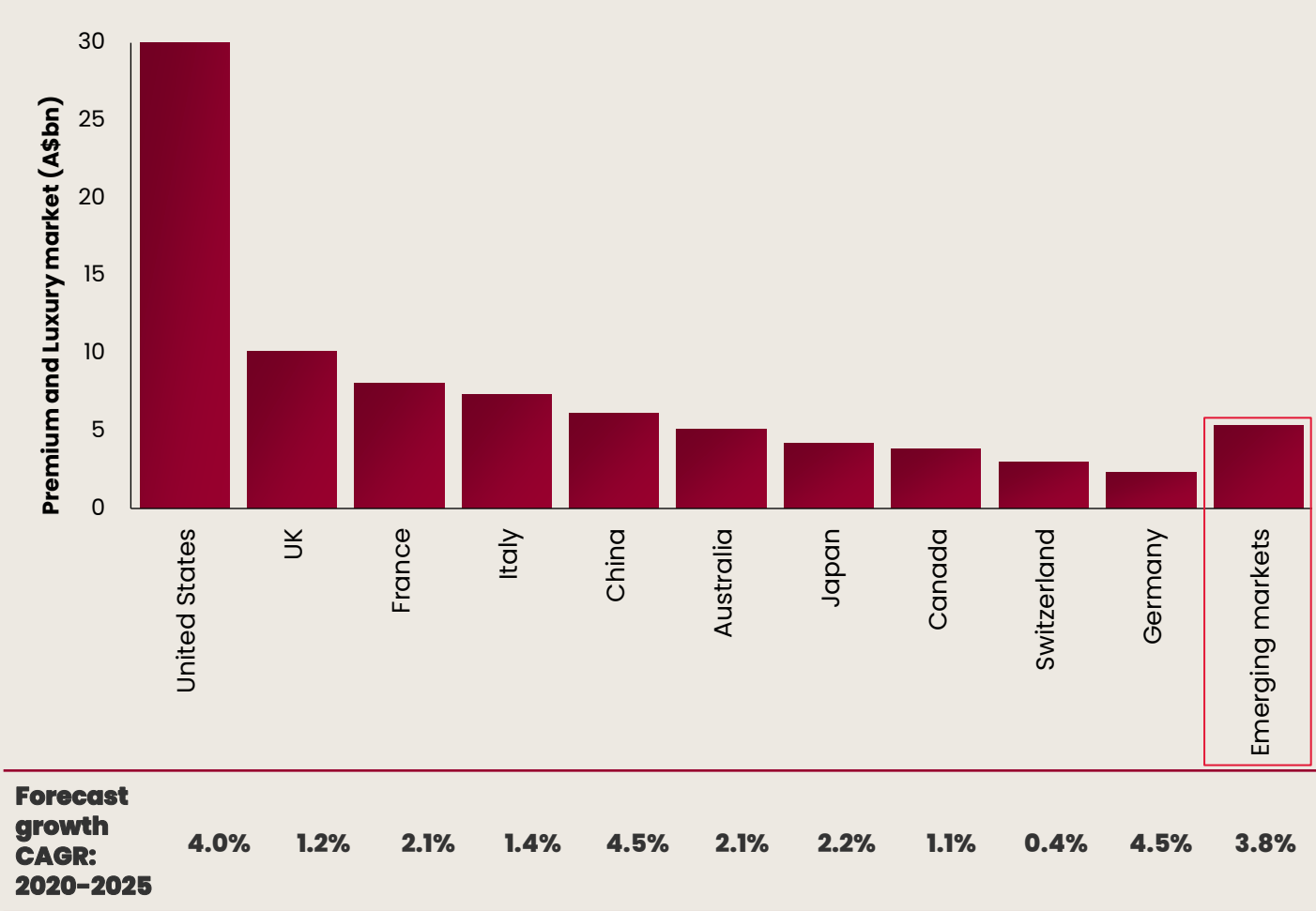
<sup>3</sup> Per 1H22 revenue

# Premium and luxury markets<sup>1</sup>

A select number of markets matter most in the premium and luxury segment

- Global premium and luxury wine segment sales totalled \$103bn in 2020
- The top 10 markets represent ~80% of global premium and luxury consumption
- The United States is the clear leader, with ~30% share of global consumption and strong forecast growth
- A number of emerging markets have strong growth potential, particularly those throughout Asia
- As the global leader in premium and luxury still wine, with a 5% share, we have an excellent foundation from which to grow

Largest premium and luxury wine markets



<sup>1</sup> IWSR 2021, still and sparkling wine only, A\$ equivalent, portfolio price points per IWSR segmentation, value growth shown.  
Emerging markets include key markets in Asia, MEA and Latin America

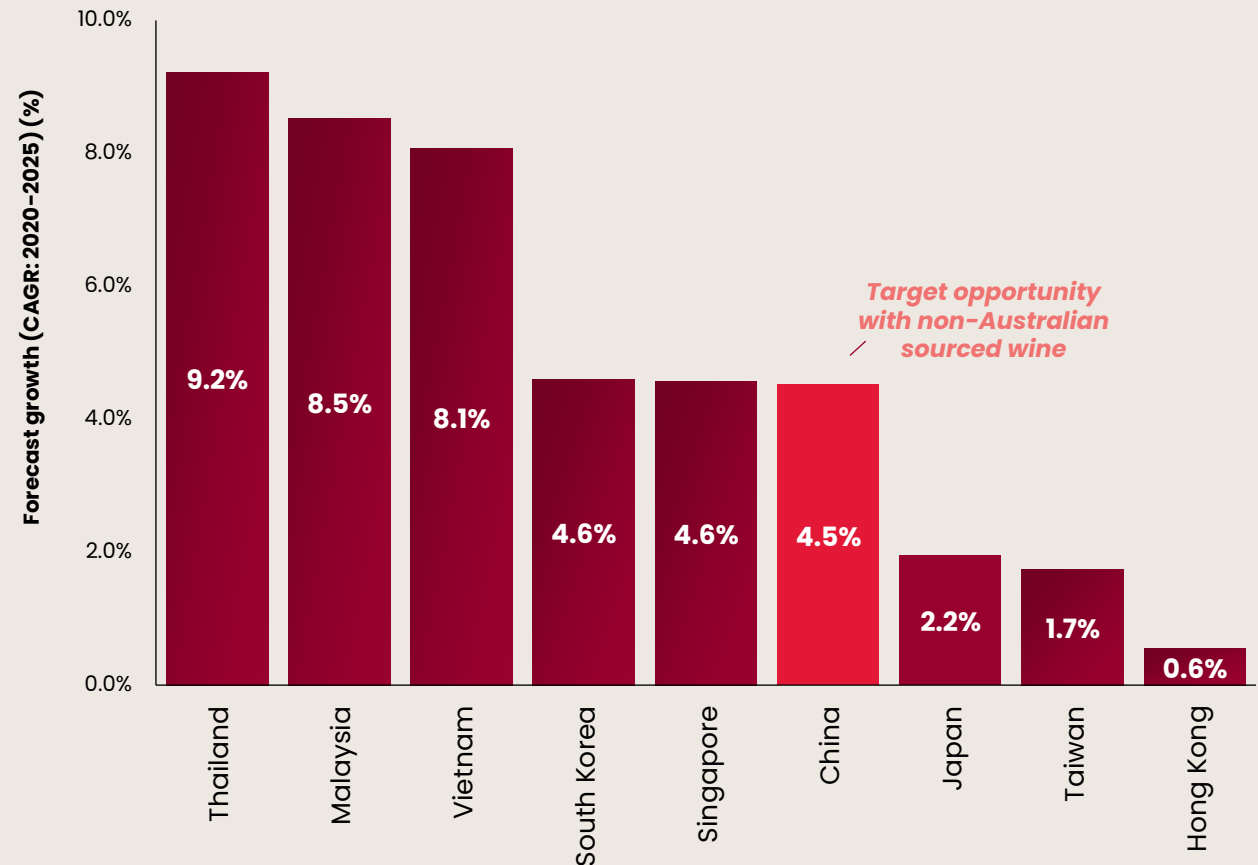


# The Asian opportunity<sup>1</sup>

We are well placed to lead the emerging and fast-growing Asian wine market

- Asia is a significant market for premium and luxury wine, with sales totalling \$13.3bn in 2020 (\$7.2bn ex-China)
- The growing popularity of wine in the region, particularly with younger consumers, is reflected in an attractive five-year forecast CAGR of +4.0%
- We intend to strengthen our leadership of the premium and luxury wine category throughout the region
- China will remain a priority market for us, through our multi-country of origin portfolio that includes French, US, Chilean and potentially Chinese sourced wine

Forecast growth across key Asian markets



<sup>1</sup> IWSR 2021, still and sparkling wine only, A\$ equivalent, portfolio price points per IWSR segmentation value growth shown

# Consumer trends

Emerging consumer trends provide us with another platform for long-term growth



## Unique, 'culture-led' brands

- Consumers are looking for **unique offerings** and holistic **end-to-end experiences**
- **'Culture-led'** propositions are an opportunity to engage with younger consumers and category entrants



## Lighter, more refreshing styles

- **Lighter style** wines that suit **multiple occasions** are growing in popularity
- Champagne, sparkling wine, rose and sauvignon blanc are among the **fastest growing varietals** globally



## Health consciousness

- **Health and wellness** is a growing consumer focus
- **'Better for you'** alternatives like zero and low-alcohol wine are expected to become meaningful and grow strongly

# An evolving landscape

The world continues to evolve, and we are leading change across the wine industry



## Technology as a disruptor

- **Breakthrough technologies** are evolving at a rapid pace – AI, robotics, augmented reality and blockchain
- There are significant opportunities to **evolve business models** and **drive greater consumer closeness**



## Acceleration of e-commerce

- E-commerce sales are growing rapidly and **taking share** from traditional channels
- Winning on the **digital shelf**, as well as the physical shelf, is a priority
- **Social media and virtual socialising** will change traditional occasions and connections for wine consumption



## Climate and sustainability

- Climate change will necessitate an **evolution in growing and production**
- Younger consumers are more connected to sustainability and see **increased value in sustainable goods**

# TWE is best placed to win

To capture these opportunities, we must build capabilities beyond existing strengths

## Core differentiators and unique capabilities

### Our core enterprise strengths today



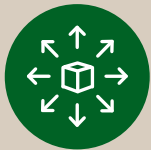
**Acclaimed heritage and new to world brands**



**Strong Innovation & brand building capability**



**Market leading premium and luxury supply & production**



**Leading global distribution footprint**



**An ability to react quickly to change**

### Areas where we are prioritising further investment

#### Consumer-led premium and luxury portfolio

- Enhance portfolio through innovation and M&A (e.g. sparkling)
- Investment in enterprise-wide innovation capability
- Expand multi-COO sourcing model (e.g. France, NZ)

#### Technological capability

- Data and insights to drive greater consumer understanding
- Evolve e-commerce and digital models

#### Sustainability

- Infrastructure and expertise to deliver on our commitments and be a clear market leader

#### Culture and talent

- Uplift our growth and innovation mindset
- Global inclusion, equity and diversity agenda

# Our ambition

What does being the world's most admired premium wine company look like?



**Industry leader** in premium and luxury wine and #1 across all priority markets



**Best distribution** across physical and digital shelves in priority channels



**World's leading wine portfolio** with numerous, global growth brands



**Grape to glass sustainability**, pioneering leading practices and contributing to thriving communities



**Consumer obsession** with propositions deeply connected to consumer needs



**Trusted governance** across every aspect of the business



**Relentless innovation** and a track record of creating growth from within



**The best place to work** as a values based organisation where people thrive



# In Summary



**The long-term opportunity to deliver growth and returns in the global premium and luxury wine market is significant**



**We are best placed to capture this opportunity and we intend to lead the category, globally**

**Our exceptional brands, asset base, scale and global expertise support our aspirations**



**We will continue to evolve through investment in technology, sustainability and our people, while remaining obsessed with our consumers**