



## TREASURY WINE ESTATES

4 June 2024

ASX ANNOUNCEMENT

### **Treasury Americas Luxury Estates Investor Presentation and F24 Guidance Reaffirmation**

Enclosed are the presentation materials for an investor and analyst presentation to be hosted by Treasury Wine Estates (ASX: TWE) at DAOU Vineyards in Paso Robles, USA commencing at 10:00am (PST) on 4 June 2024. A webcast of the presentation will be made available from approximately 1:00pm on 5 June 2024 (AEST) on the TWE website: [www.tweglobal.com/investors](http://www.tweglobal.com/investors)

Page six of the presentation includes an update on outlook, with TWE confirming the following:

**1. Group:**

- TWE continues to expect mid-to high single digit EBITs growth in F24, excluding the EBITs contribution from DAOU in 2H24
- Work to assess the future operating model for TWE's global portfolio of Premium brands is continuing, with an update to be provided in August

**2. Treasury Americas:**

- TWE expects F24 EBITs to be delivered in the range of \$223m to \$228m, reflecting:
  - o Luxury portfolio growth, supported by increased availability, with Premium portfolio revenue broadly in line with the pcg
  - o DAOU EBITs of approximately US\$24m, in line with expectations

**3. DAOU:**

- TWE's expectations for DAOU are unchanged:





- EPS accretion (pre-synergies) and mid to high single-digit EPS accretion (pro forma for cost synergies of US\$20m+) in F25, the first full year of ownership<sup>1</sup>
- Over the medium term, average annual low double-digit NSR growth

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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<sup>1</sup> Excludes any non-cash financing charge associated with the accounting recognition of the contingent earn-out liability (to the extent relevant) or any one-off transaction or integration costs (including those required to deliver synergies). Based on post entitlement offer and placement shares issued to the vendors of DAOU.



TREASURY  
WINE ESTATES

# Treasury Americas Luxury Estates Investor Day

4 JUNE 2024, PASO ROBLES, CALIFORNIA





# Important Information

All references to '\$' throughout this presentation refer to Australian Dollars, unless marked otherwise.

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 potential impacts on consumer demand, the impact of continued high inflation on business outcomes, global difficulties in logistics and supply chains, integration risks inherent in 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.

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# Welcome and Introduction



**Tim Ford**

Chief Executive Officer, Treasury Wine Estates



# Today's Presenters



**Tim Ford**

*Chief Executive Officer,  
Treasury Wine Estates*



**Ben Dollard**

*President,  
Treasury Americas*



**Neb Lukic**

*Global President,  
DAOU*



**Neil Cassidy**

*Value Creation Officer,  
Treasury Americas*



**Rachel Ashley**

*Senior Vice President,  
Supply Americas,  
Treasury Americas*



# Agenda

<b>9.00am</b>	<b>DAOU Mountain arrival and welcome</b>
<b>10.00am</b>	<b>Management Presentation</b> Welcome and Introduction   <i>Tim Ford</i> Setting the Standard for the US Luxury Wine Experience   <i>Ben Dollard</i> Unveiling Success: The DAOU Story   <i>Neb Lukic, Neil Cassidy</i> Better Together   <i>Ben Dollard, Rachel Ashley</i> Closing   <i>Tim Ford</i>
<b>12.45pm</b>	<b>Lunch</b>
<b>2.30pm</b>	Bus transit to TWE Paso winery
<b>3.00pm</b>	<b>TWE Paso winery tour   <i>hosted by Rachel Ashley</i></b>
<b>4.30pm</b>	Bus transit to hotel
<b>6.00pm</b>	Bus transit to DAOU Mountain
<b>6.30pm</b>	<b>DAOU tasting and Dinner</b>





## Group

- We continue to expect mid-high single digit EBITs growth in F24, excluding the EBITs contribution from DAOU in 2H24
- Work to assess the future operating model for TWE's global portfolio of Premium brands is continuing, with an update to be provided in August

## Treasury Americas

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  - DAOU EBITs of approximately US\$24m, in line with expectations

## DAOU

- Our expectations for DAOU are unchanged:
  - EPS accretion (pre-synergies) and mid to high single-digit EPS accretion (pro forma for cost synergies of US\$20m+) in F25, the first full year of ownership<sup>2</sup>
  - Over the medium term, average annual low double-digit NSR growth

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# Treasury Americas

Setting the standard for the US Luxury wine experience



**Ben Dollard**

President, Treasury Americas







Our vision is to **boldly lead change** in the Americas wine market

Over the past four years, we have **transformed Treasury Americas'** brand portfolio and operating model to better meet the evolving needs of our consumers

Following the acquisition of DAOU, we have the **leading Luxury wine portfolio** in the country, containing iconic and acclaimed brands of significance in the US Luxury wine market

We are **energised by the opportunity** to unlock our potential and create another outstanding Luxury platform within Treasury Wine Estates alongside Penfolds





# US Wine Market Snapshot

The market continues to evolve, and we are transforming our portfolio and operating model

## Short term trends

**Challenging macroeconomic environment** impacting wine consumption, particularly at the low end

Post pandemic consumption dynamics, combined with higher cost of capital, have driven **reduced inventory** levels in the market

## Long term trends

**Luxury and Premium wine sales** continue to grow while lower priced wine volumes decline

**Consumer demographics** are shifting, with Baby Boomers declining and being replaced by Gen Z and Millennials

**Distributor consolidation** continues and **top performing brands** are getting increased distributor and retailer focus

**Health and wellness focus** are driving the “drink less but better” trend

**Tasting room visits and DTC sales** are trending upwards

**Experience matters** with consumers looking for authentic brand connections



# The US Luxury Wine Opportunity

## Highly supportive category dynamics for Luxury wine and Treasury Americas

### The US is the world's largest luxury wine market



### Wine category continues to premiumise as overall volumes decline but consumers trade up

**US wine retail sales by price band<sup>1</sup>**

Price band (USD)	Share 2023	CAGR value 2019-2023	CAGR value 2023-2028
Total Wine in US		(1.0)%	(0.8)%
Under US\$8.00	35%	(4.5)%	(3.1)%
US\$8.00 to \$14.99	36%	(0.5)%	(0.6)%
US\$15.00 to \$19.99	14%	4.1%	1.7%
US\$20.00 to \$39.99	9%	2.7%	1.1%
US\$40.00 to \$99.99	4%	6.0%	2.6%
US\$100.00 and Over	1%	(0.8)%	2.5%

<sup>1</sup> IWSR 2024, still wine, value shown (Luxury: US\$20+, Premium US\$8-20, Commercial US\$8 and below)



# Profile of the US Luxury wine consumer

**Powerful Luxury trends provide Treasury Americas with a strong platform for long-term growth**

## The drivers of Luxury wine consumption are diverse



Relaxation  
and enjoyment



Social and  
celebration



Learning and  
exploration



Sophistication  
and indulgence



Personal  
connection

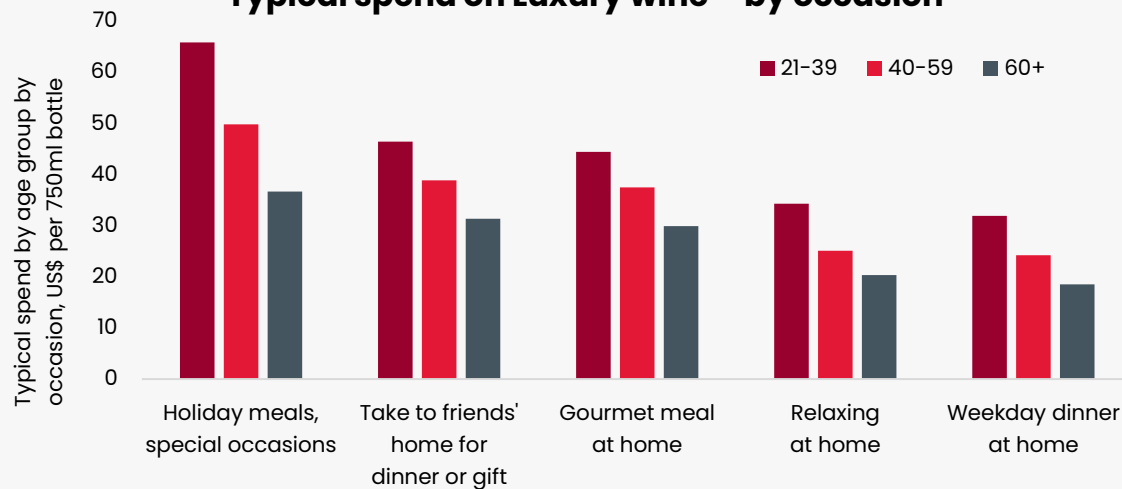


Pleasure and  
happiness

***"Nearly 30% of wine consumers  
say they purchase a wine  
priced more than \$20 monthly,  
if not more often"<sup>2</sup>***

## Younger consumers are typically spending more

**Typical spend on Luxury wine – by occasion<sup>1</sup>**



## Quality and familiarity with brands remains critical

**Attributes for Luxury wine purchase<sup>1</sup>**



<sup>1</sup> Wine Market Council, High-end wine consumer research study, December 14, 2023

<sup>2</sup> 2024 BMO Wine Market Report, May 2024



# Treasury Americas Brand Portfolio Structure

Two distinct portfolios with differentiated priorities and approaches to market

## Luxury Estates Portfolio

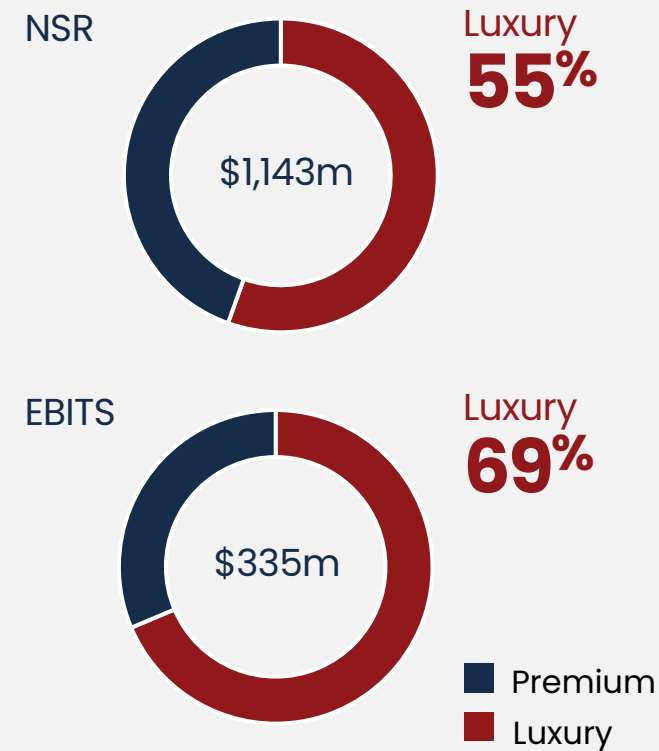


## Premium Portfolio



SEPARATED SALES AND MARKETING FOCUS EFFECTIVE 1 JULY 2024

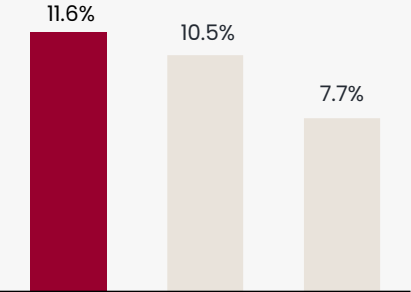
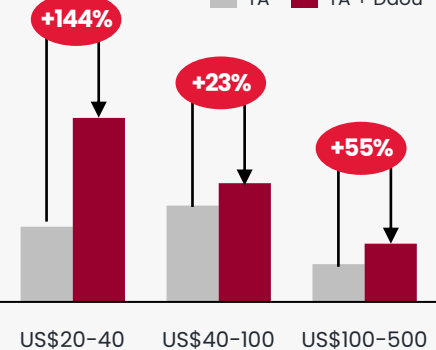
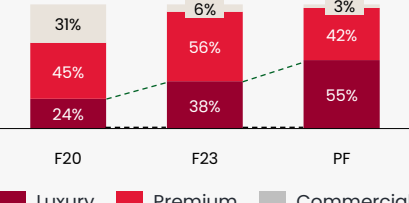
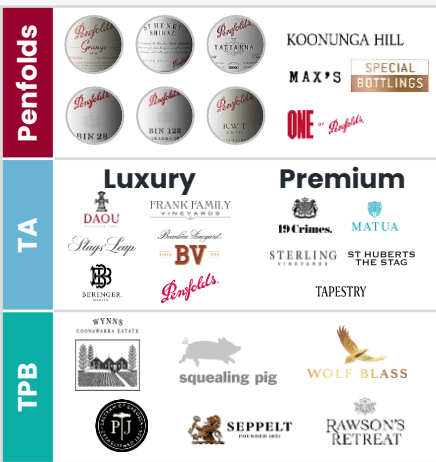
## Pro forma portfolio composition<sup>1</sup>



<sup>1</sup> Combination of F23 Treasury Americas and CY23 DAOU performance 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. Premium includes NSR contribution of 3% from Commercial brands.

# The US Luxury Wine Market Leader

## The DAOU acquisition unlocked a significant long term growth opportunity for Treasury Americas

Market Leadership	Strengthened Portfolio	Immediate Accretion	Significant Value Creation	Operating Model Optionality
Created the number one Luxury wine business in the US post-transaction through the combination of Treasury Americas and DAOU	Filled a significant Treasury Americas portfolio gap at US\$20-40 and complemented existing Luxury portfolio above US\$40	Accelerated TWE's focus on Luxury-led portfolio premiumisation, with immediate accretion to key operating metrics	A significant value creation opportunity leveraging Treasury Americas and DAOU's unique strengths	Provided the scale to consider the creation of a standalone Treasury Americas Luxury division alongside Penfolds
<b>Market Share by Player<sup>1</sup></b> <i>US Luxury Market</i>  <p>TWE 11.6% #2 Player 10.5% #3 player 7.7%</p> <p>■ TWE ■ Competitors</p>	<b>NSR by Price Point (US\$m)<sup>2,3</sup></b> <i>Treasury Americas, Luxury</i>  <p>US\$20-40 US\$40-100 US\$100-500</p> <p>US Luxury wine mkt by price point<sup>4</sup></p> <p>65% 27% 8%</p>	<b>NSR by Price Segment<sup>2</sup></b> <i>Treasury Americas</i>  <p>F20 F23 PF</p> <p>■ Luxury ■ Premium ■ Commercial</p> <p><b>+20%</b> NSR / Case</p> <p><b>+1.5ppts</b> EBITs Margin</p>	<b>Integration Value</b> <ul style="list-style-type: none"> <li>Improve DAOU distribution through strong Treasury Americas network</li> <li>Grow DAOU globally (focus on Asia)</li> <li>Material production and overhead cost synergies<sup>5</sup></li> </ul>	<b>Global operating model</b>  <p>Penfolds: Koonunga Hill, Max's Special Bottlings, One, etc.</p> <p>TA: DAOU, Frank Family, 19 Crimes, Matua, etc.</p> <p>TPB: Wynns, Squealing Pig, Wolf Blass, etc.</p>

<sup>1</sup> Circana Market Advantage, Total US MULO+C, US\$20+ Table, Value, latest 52 weeks ending 19 May 2024

<sup>2</sup> Pro forma reflects F23 Treasury Americas and CY23 DAOU

<sup>3</sup> Includes Penfolds NSR that is reported in Penfolds division

<sup>4</sup> IWSR 2024, still wine, 2023 Value

<sup>5</sup> Includes winemaking, bottling/packaging, planning/procurement/logistics, and overhead optimisation synergies

# An Exceptional Luxury Portfolio

DAOU



FRANK FAMILY  
VINEYARDS



*Stags Leap*



*Beaulieu Vineyard*



ESTD 1876  
BERINGER



*Penfolds*



% Portfolio NSR<sup>1</sup>

50%

16%

13%

10%

9%

n/a<sup>3</sup>

SRP<sup>2</sup> range (US\$)

\$20-\$500

\$40-\$275

\$35-\$225

\$40-\$375

\$35-\$400

\$25-\$850

Weighted average  
SRP (US\$)

\$30

\$50

\$50

\$55

\$40

\$55

1. Pro forma portfolio NSR composition reflection the combination of F23 Treasury Americas Luxury brands (Frank Family Vineyards, Stags Leap, Beaulieu Vineyard, Beringer, Etude) and CY23 DAOU delivery
2. Suggested retail price
3. Reported in Penfolds division, SRP metrics exclude Koonunga Hill and Max's

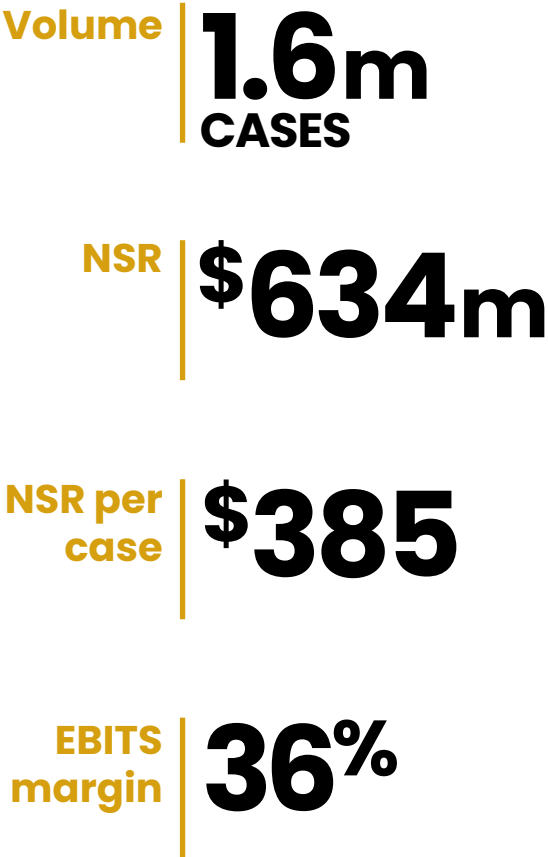




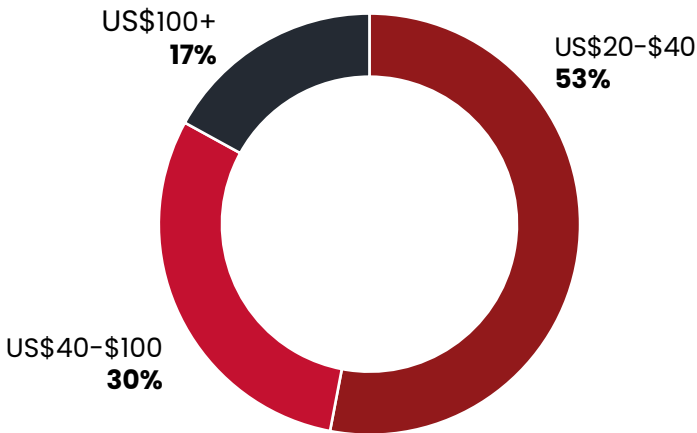
# Luxury Estates Portfolio Profile

A diverse portfolio of scale, well positioned for the evolution of consumer and category trends

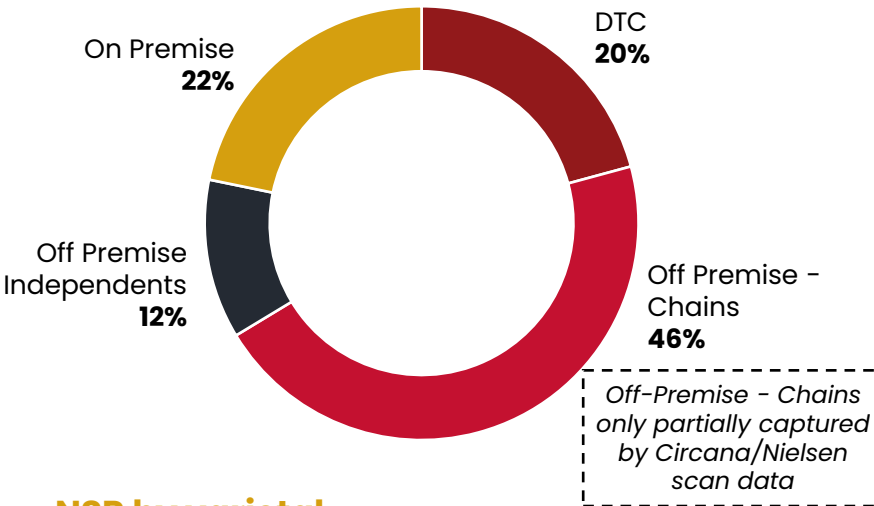
Pro Forma Metrics<sup>1</sup>



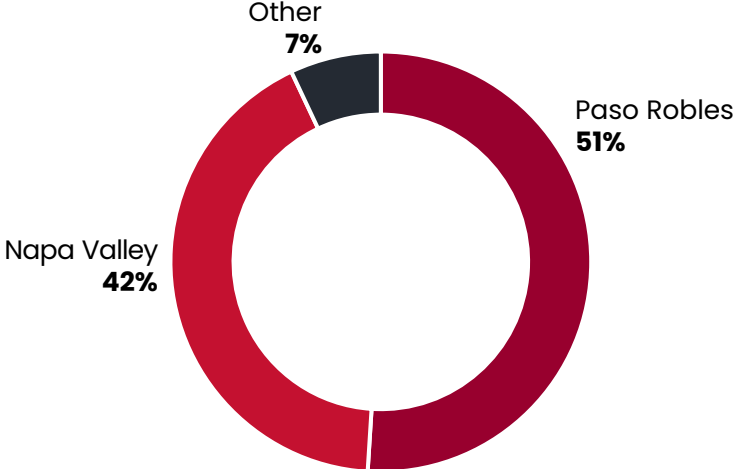
NSR by price range



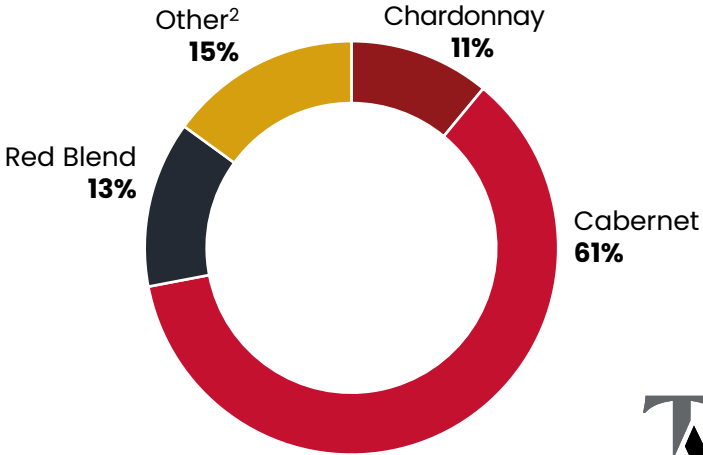
NSR by sales channel



NSR by sourcing region



NSR by varietal



1. Pro forma financials reflects the combination of F23 Treasury Americas Luxury brands (includes BV, Stags Leap, Frank Family Vineyards, Beringer and Etude) and CY23 DAOU converted at 0.64, including pro forma synergies of US\$20m and Management estimates in relation to the allocation of overheads, which remain subject to revision. Excludes Penfolds which is reported in Penfolds division

2. Other varietals include Sauvignon Blanc, Rose, Pinot Noir



# Treasury Americas Luxury Estates Strategy

## Three core strategic priorities focused on realising the opportunity across our Estates portfolio

### 1 Scale our Estate-led brands and elevate our Luxury image

- Leverage our distribution footprint and Luxury wine access to scale volume, **balancing prestige with accessibility**
- Transition promotional activity focus to **brand building** and **customer acquisition**
- Communicate **quality, heritage** and **authenticity** at every touch point

### 2 Establish a lasting connection with our consumers through world-class Estate-led experiences

- Deliver unmatched **hospitality** at our Estates
- Bring an Estate-quality look and feel to consumer in-market **events**
- Inspire **brand advocacy** with our consumers and members

### 3 Pursue international expansion opportunities

- Establish Treasury Americas as the leading Luxury portfolio in Canada
- Leverage TWE's unparalleled international Luxury distribution platform to generate **global brand equity**, particularly in Asia





# Treasury Americas Luxury Estates

Attractive category fundamentals



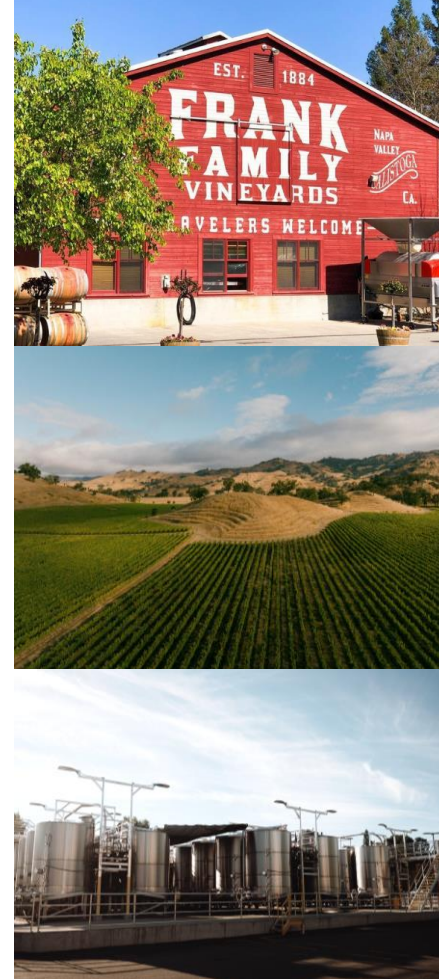
Leading luxury portfolio



Iconic luxury experiences



Outstanding asset base



World-class team





# DAOU

Unveiling success: The DAOU story





The journey of DAOU.

**Passion, perseverance and obsession** to create world class wines and extraordinary experiences at every touch point, focused on consumer happiness.

We are a **multi-faceted, high-growth** Luxury wine business:

- Luxury wines built for scale
- Tiered portfolio strategy
- Multiple routes to the consumer
- Incredible wines that consumers love



# Founding and vision

## It started as a dream, with global influence and French roots

### Lebanese roots



Brother Georges and Daniel Daou's childhood was steeped in Lebanese traditions of generous hospitality, family values and faith

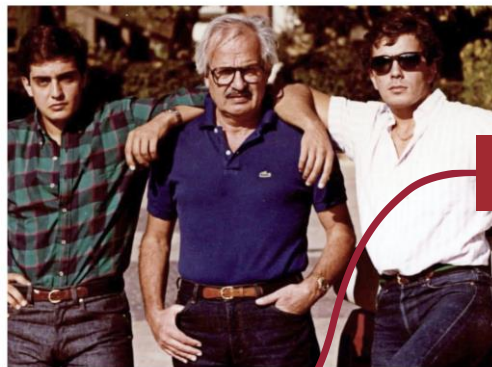
### French influence



After escalation of civil war in Lebanon, the family moved to France which is where Georges and Daniel first dreamt of a life in wine

### The American Dream

Georges and Daniel moved to San Diego, and started their own successful company, Daou Systems



### Creating an outstanding Luxury wine franchise

*“Our vision was simple, yet super ambitious. To create DAOU as a beacon of excellence in the global wine industry, driven by a commitment to the quality of our wines, innovation and sustainability with people that are driven to leave a lasting mark.”*

### A New Dream, with roots in France



After selling Daou Systems, Georges and Daniel pursued their dream to make first growth quality cabernet and Bordeaux varietals that reflect the terroir of Paso Robles.

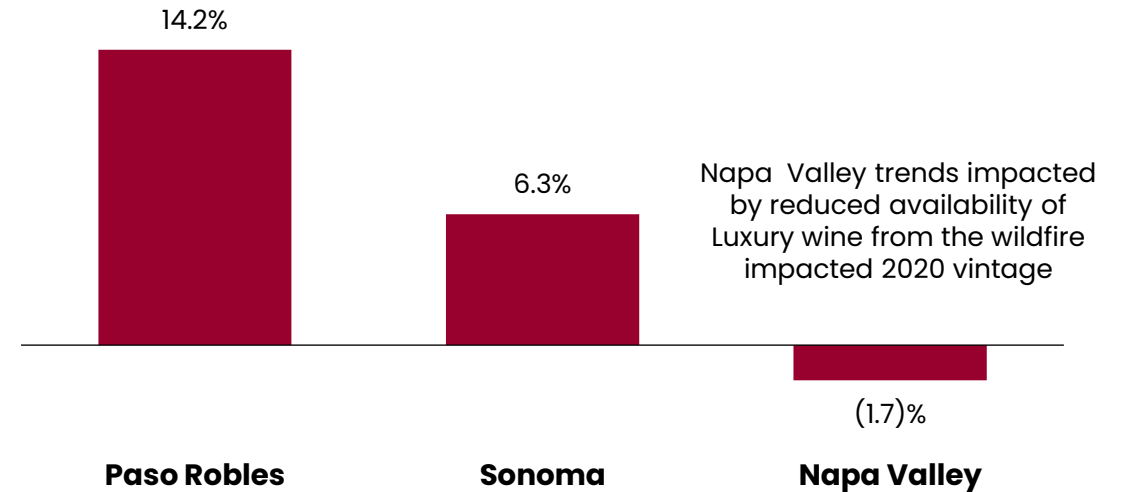


## Paso Robles is a world-class winemaking region in the central coast of California

- The Paso Robles American Viticultural Area (AVA), located halfway between San Francisco and Los Angeles, was established in 1983:
  - Comprises 11 individual districts which are climatically distinct with diverse soil types
  - Production dominated by Cabernet Sauvignon, with competitive grape sourcing costs (20% those of Napa Valley<sup>1</sup>) supporting strong producer economics
- Our historic growth has been supported by a highly scalable Paso Robles sourcing model, including a diverse network of growers under long-term contracts and a multi-year program to scale intake for the Ultra-Luxury tiers through investment in Adelaida vineyards
- Consumer familiarity and attraction to Luxury wine from Paso Robles is growing rapidly:
  - The two fastest growing Luxury cabernet brands in the US, of which DAOU is one, are sourced from the region<sup>2</sup>
  - Penfolds Californian Collection wines are part-sourced from TWE's Camatta Hills Vineyard in Paso Robles, which was first planted in the 1990's

### Paso Robles Luxury sales are growing ahead of other regions<sup>3</sup>

Three-year average growth rate



<sup>1</sup> California Grape Crush Final Report 2023. California Department of Food and Agriculture

<sup>2</sup> Circana Market Advantage, Total US MULO+C, US\$20+ table wine only, Value, brands >US\$30m, latest 52 weeks ending 19 May 2024

<sup>3</sup> Circana Market Advantage, Total US MULO+C, US\$20+ California wine only, Value, average of 52-week growth for last three years latest week ending 19 May 2024



## Our iconic brand home, rising from the heart of the luxurious Adelaida district of Paso Robles

- Soaring at 2,200 feet elevation and 13 miles from the ocean, DAOU Mountain's soils and the unique influence of the Templeton Gap combine to create a jewel of ecological elements that match those of the best winegrowing regions in the world
- DAOU Estate vineyards are meticulously tended to by our skilled viticulturalists and yield grapes of exceptional quality, characterised by intense flavours and consistency
- Our team's relentless pursuit of extraordinary innovation and desire to produce high quality wines, have lifted the entire Paso Robles region to become regarded as the next benchmark for Bordeaux varietals in the US



*“There is a power within this Mountain we call home. It is a power that turns raindrops into extraordinary wines.”*

# Signature wines

An impressive portfolio ranging from bold Cabernets to elegant Chardonnays, each expressing the distinct character of Paso Robles

**DAOU**  
Discovery

*Superior quality at an approachable price*



**byDAOU**  
Journey

*Dedicated to producing the worlds best red blends, distinctively in the Paso Robles style*



**DAOU**  
Reserve



**DAOU**  
Estate

*Soul of a Lion, the portfolio crown jewel*



**PATRIMONY**

*Paso Robles • Adelaide District*

*Setting the benchmark for Bordeaux style varietals*



**Average retail price**

US\$30

US\$30

US\$60

US\$130

US\$290

**CY20-23  
Volume CAGR**

43%

40%

28%

23%

116%

**Consumer focus  
and role**

Drive introduction and trial  
in On and Off-premise

Luxury volume driver  
focused on DTC and  
wholesale channels

Luxury halo, focused  
on DTC and exclusive  
accounts

Exclusive allocation model  
to create a leading global  
Ultra Luxury wine brand

# Commitment to excellence

## We have a long and consistent track-record of producing highly rated wines

- Our relentless pursuit of excellence has earned numerous accolades and awards, cementing DAOU's reputation for some of the finest wines in the world
- Whether you are in the vineyard, cellar, tasting room or part of our team strategically positioned across the US, the pursuit of perfection will be evident when you taste our wines, visit our Estate or meet our people

“The finest 100% Cabernet Sauvignon I've tasted from Paso Robles, and it will stand toe to toe with the best coming out of Napa.”

**Robert Parker's Wine Advocate, August 2015**

“Anyone doubting the quality that can be achieved in Cabernet Sauvignon from Paso Robles owes it to themselves to try one of these wines.”

**Jeb Dunnuck, September 2021**

Product	Robert Parker's Annual Rating <sup>1</sup>					5Y avg.
Patrimony Caves de Lions		98	99	94-96	98-100	98
Patrimony Cabernet Franc	97	97	97	93-95	97-99	97
Patrimony Cabernet Sauvignon	97	98+	98	95-97	95-97	97
Estate Soul of a Lion	97	97+	97+	95-97	96-98	97
Estate Cabernet Sauvignon	95	95	95+	95-97	96-98	96
Reserve Cabernet Sauvignon	94	93+	95	92-94	94-96	94
Discovery Cabernet Sauvignon	90-92	93+	95	92-94	94-96	93
Vintage year	2017	2018	2019	2020	2021	

<sup>1</sup> The 100-point quality scale is the world-renowned industry standard rating system by highly acclaimed wine scorer, Robert Parker Wine Advocate. Scores from latest vintages are preliminary and presented on an estimate range to be refined with future tastings



# Sustainability and community

## Committed to safeguarding our legacy and ensuring our community thrives for years to come

### Shepherds of our terroir for future generations

- Beyond our desire to craft exceptional wines, we are dedicated to preserving our environment and acting sustainability, implementing practices that minimise ecological footprint and preserve the land for future generations
- From water conservation to biodiversity and renewable energy initiatives, we strive to lead by example in sustainable viticulture



### Dedicated to enhancing the prosperity of our region

- We take immense pride in being an integral part of the Paso Robles community, and are grateful for the role the region has played in our success
- Through our volunteer efforts and partnerships we are dedicated to enhancing the economic health and prosperity of the Paso Robles region and ensuring it remains a vibrant and thriving community



# Our journey is just beginning



## Recent growth drivers

**CY20-23  
NSR CAGR**

**+45%**

**US Trade +52%**

- Driven by distribution expansion of Discovery and Journey tiers, RNDC partnership

**DTC +15%**

- Driven by increased cellar door, membership and DAOU+ rollout

**Ultra  
Luxury +31%**

- Introduction of Patrimony



# Growth drivers

Focused on continuing DAOU's strong top-line momentum, supported by an optimised cost base

## Base business plan

### TOP-LINE

*Deliver average low double-digit NSR growth over the medium term*

#### Element

Ahead of category growth for the Discovery and Journey tiers

Accelerated growth of Ultra-Luxury tiers

#### Enablers

- Treasury Americas dedicated Luxury team
- US distribution expansion
- Velocity acceleration through in-market experiences

- Adelaida vineyard sourcing
- Expanded luxury winemaking
- On-premise and DTC focus



#### Timing

From F25

From F25

### COST BASE

*Deliver full run rate cost synergies of US\$20m+*

Production and overhead cost synergies

- Optimised sourcing and production, leveraging existing infrastructure
- Optimised product and SG&A expenditure



Commencing F25, with full run rate benefits to be realised by F26

## Incremental opportunities

### DTC platform expansion



- Loyalty
- Hospitality
- E-commerce



### International

- Asia
- Europe



### Innovation

- Journey Tier
- Appellation
- COO

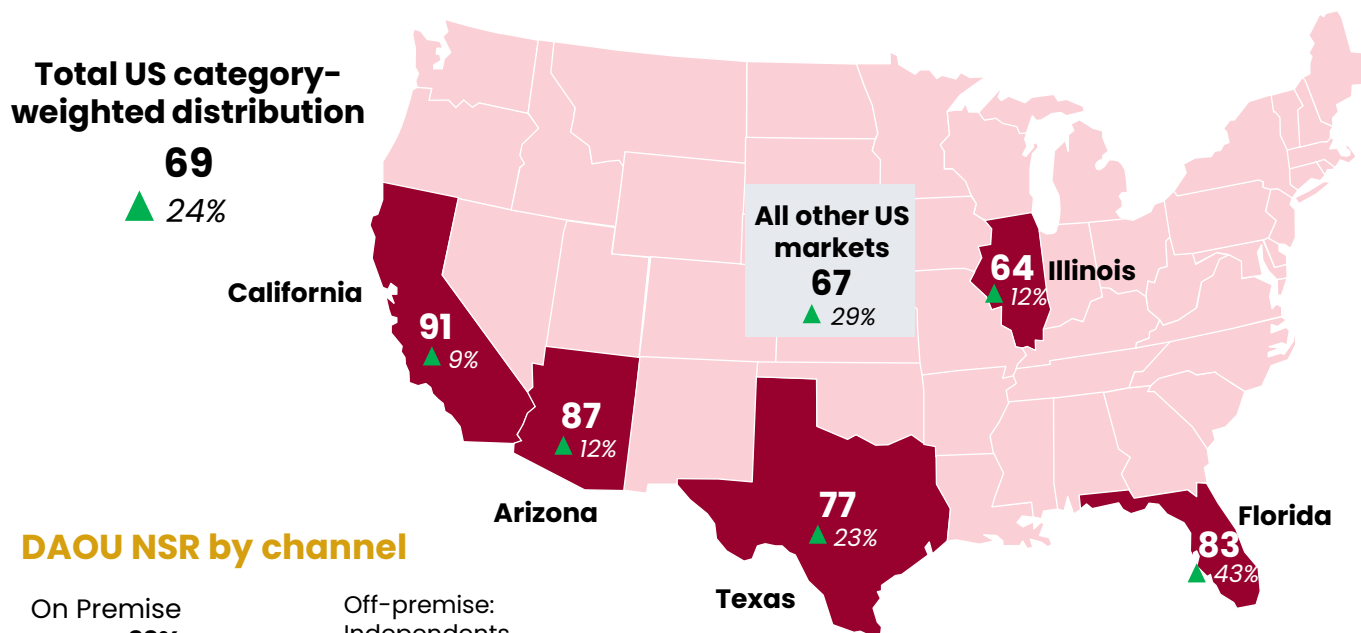
# Expanding our footprint

## Treasury Americas deep Luxury distribution footprint to enable DAOU's continued expansion

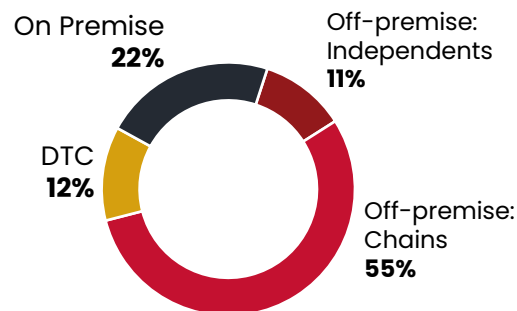
- DAOU has achieved meaningful distribution expansion in California and several other key US states, supporting our strong track record of growth over the past three years
- Looking ahead, the incremental opportunity is considerable, with our national category weighted distribution remaining well below those of key Luxury peers across many states
- We are well positioned to continue our expansion across the US, supported by Treasury Americas deep Luxury distribution footprint
- Internationally, our vision is to be the #1 US brand, known for wines of extraordinary quality from an extraordinary region. Leveraging Penfolds leading global distribution platform, international expansion will provide DAOU with another platform for long-term growth

### DAOU US category-weighted distribution (CWD) by state<sup>1</sup>

*% change versus 3 years ago presented in italics*



### DAOU NSR by channel



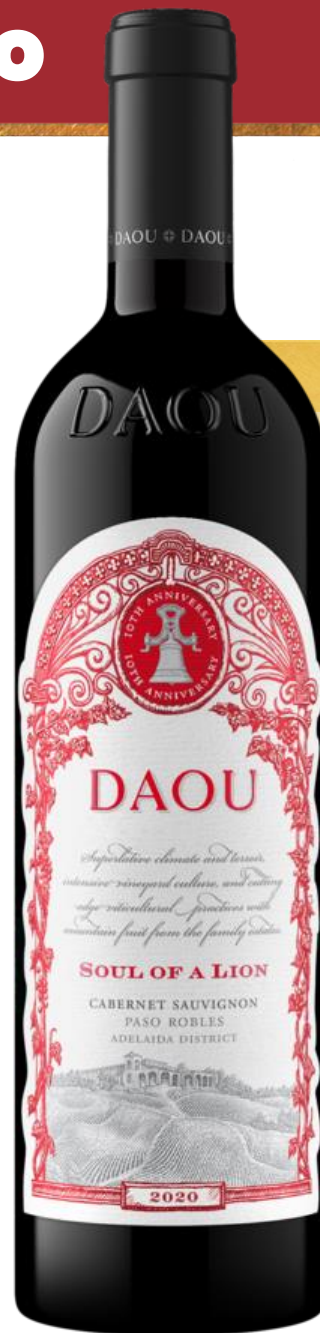
<sup>1</sup> Circana, State MULO, Latest 52 weeks ending 19 May 2024. Category-weighted distribution reports a product's distribution weighted by the dollar sales of the stores carrying the category. Only includes stores where the category is selling. Weights stores with higher category sales more than stores with lower category sales.



# Ultra Luxury portfolio

## An expression of the very best from Paso Robles

- DAOU's Ultra-Luxury portfolio, consisting of Reserve, Soul of a Lion and Patrimony, are amongst the finest wines from Paso Robles
- The combination of one of the world's most innovative wine making programs and the unique terroir of the Adelaida sub-region has enabled DAOU to create wines of true power, grace and character
- Accelerated growth for the Ultra-Luxury portfolio will be led through the on-premise and DTC, supported by the strength of the integrated supply chain



### *Soul of a Lion*

*The crown jewel of DAOU, and an emblem of the quest to produce unrivaled Cabernet Sauvignon from the terroir of DAOU Mountain*



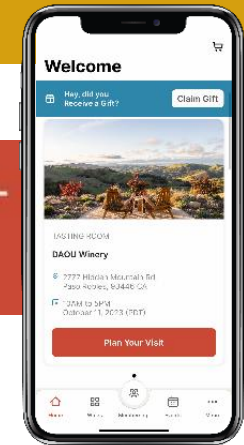
### *Patrimony*

*Wines of immense power and longevity that compete with the best in the world*

## Leveraging our direct to consumer platform to drive experience and engagement

### Digital

- DAOU+: our fully integrated platform combining e-commerce and membership to create a 1:1 relationship with the consumer
  - Facilitates tasting room and hospitality experience, in addition to product purchase
  - Approximately 19k+ users, with scaling membership and reach a key priority
- **Growth focus – expand to more consumers, build rewards-based loyalty program, integrate deep AI to inform and personalise the consumer experience**



### Tasting rooms

- DAOU Mountain, our iconic brand home in the heart of the Adelaida region of Paso Robles, provides guests an outstanding brand sensory and tasting room experience
  - Awarded number one tasting room in the US by USA Today, 2023
  - 90k+ visitors annually, with weekend reservations committed 4-6 weeks in advance
- **Growth focus – expand hospitality offerings to drive brand experience and further grow the consumer base**

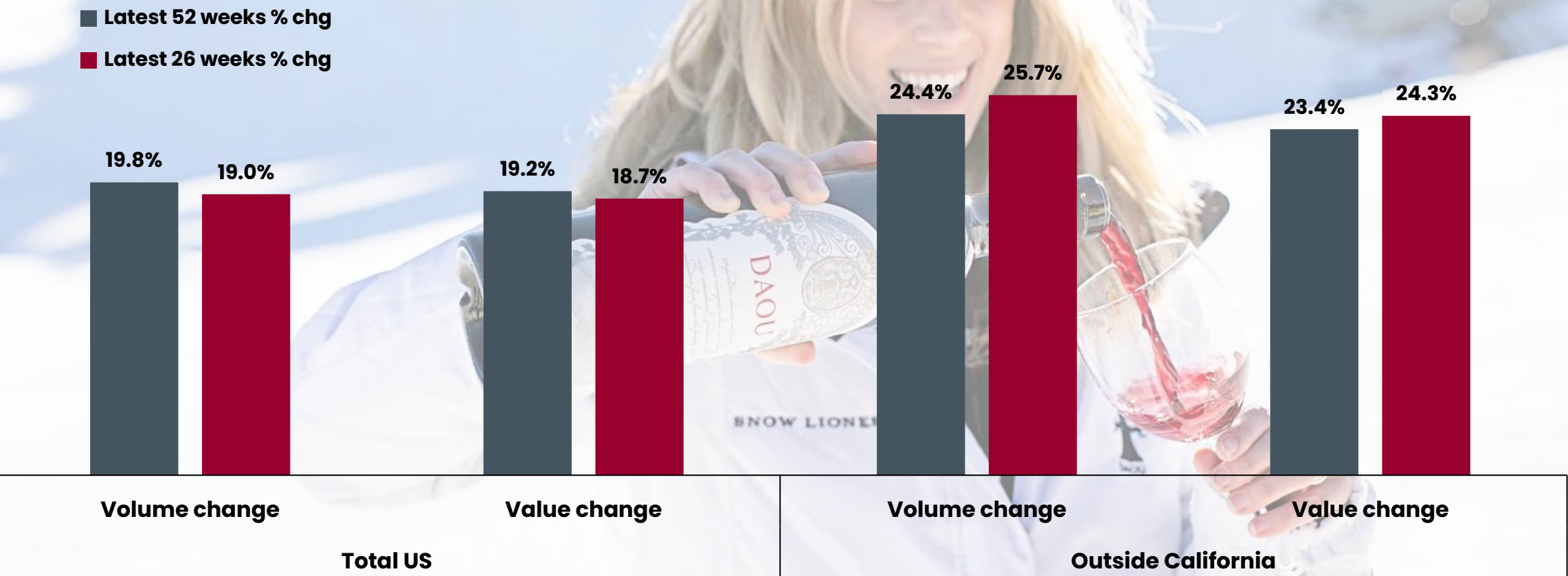




# Delivering sustained growth

We continue to outperform the category, particularly outside of California

## DAOU Portfolio Scan Channel Performance



Source: Circana Market Advantage, Total US MULO+C, Value, DAOU portfolio, period ending 19 May 2024





# Treasury Americas and DAOU

Better together

**Ben Dollard**

President, Treasury Americas

**Rachel Ashley**

Senior Vice President, Supply Americas,  
Treasury Americas



**T** | TREASURY  
AMERICAS



# Integration Update

## Business integration to commence in F25 and on track to deliver synergies of US\$20m+

- Planning for business integration and delivery of cost synergies progressing and well on track to commence in F25, as planned
- At the core of the integration approach is the underlying principle of 'Better Together':
  - Leverage the respective strengths of the two businesses while maintaining DAOU's unique spirit and essence, and
  - Ensure employees feel part of one team
- Material production and overhead cost synergy opportunities of US\$20m+ have been validated, and are on track to be realised by the end of F26

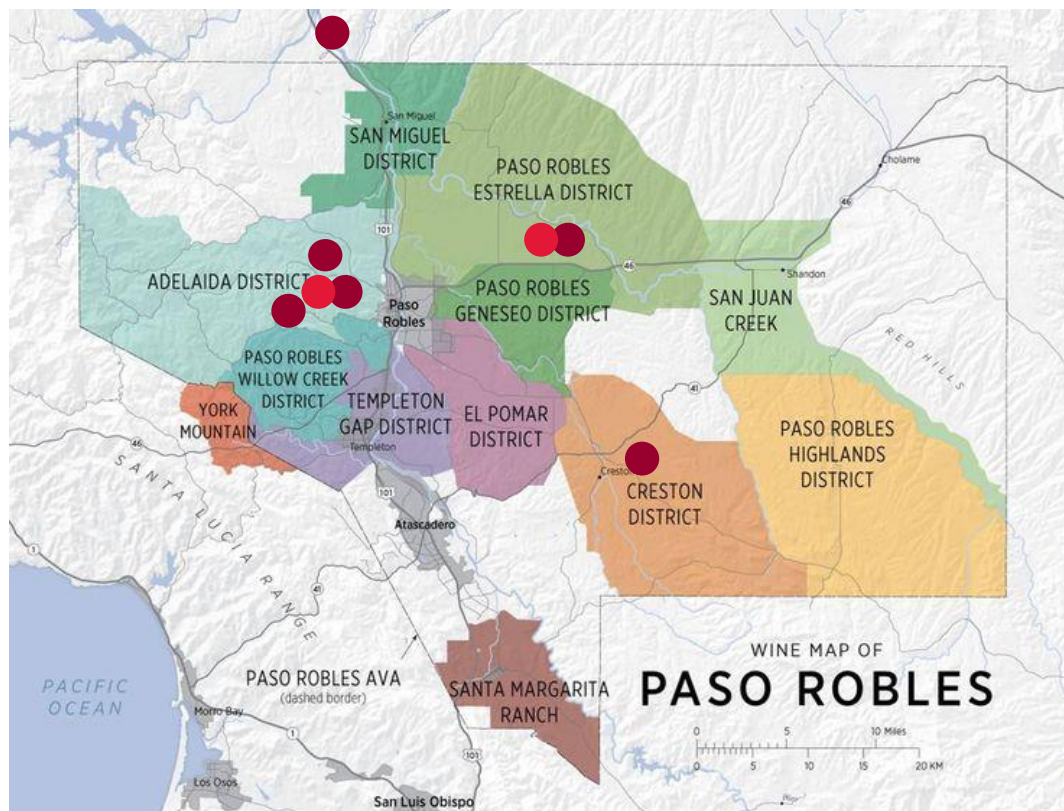
### Cost synergy initiatives

<b>Sourcing and winemaking</b>	<ul style="list-style-type: none"><li>• Optimise sourcing for Discovery, Journey and Reserve tiers by supplementing supply with Treasury Americas well-established internal vineyards and DAOU grower network</li><li>• Consolidation of winery production model through enhanced utilisation of Treasury Americas existing Paso winery</li></ul>
<b>Bottling and packaging</b>	<ul style="list-style-type: none"><li>• Bottling efficiencies across the combined network, including consolidation into the Sonoma Bottling Centre</li></ul>
<b>Planning, procurement and logistics</b>	<ul style="list-style-type: none"><li>• Logistics, supply planning and procurement savings</li></ul>
<b>SG&amp;A</b>	<ul style="list-style-type: none"><li>• Optimisation of combined Treasury Americas and DAOU expenditure</li></ul>



# Integrated supply chain

## Integrated supply chain to be a significant source of strength for Treasury Americas



● Vineyards ● Wineries

Integrated supply chain to provide a scaled, efficient and flexible model to support DAOU's long-term growth ambitions:

- Significant ownership of vineyard area in Adelaida to enable accelerated growth for the DAOU Ultra-Luxury tiers
- Supplemented by Treasury Americas existing vineyards, with improved allocation of fruit to product price point under DAOU
- Treasury Americas Paso Winery is the largest in the AVA and the second largest in TWE's global network, behind Barossa

### Integrated Paso Robles supply chain

<b>Vineyards &amp; sourcing</b>	<ul style="list-style-type: none"><li>• Six-owned vineyards, totaling 2,700 planted acres (three vineyards totaling 390 acres acquired from DAOU)</li><li>• Complemented by DAOU's extensive grower network</li></ul>
<b>Wineries</b>	<ul style="list-style-type: none"><li>• Two wineries, with 3.3m 9le production capacity<ul style="list-style-type: none"><li>- Treasury Americas Paso Winery is a production facility for entry-level Luxury</li><li>- DAOU Estate Winery is a boutique winery for Ultra-Luxury tiers</li></ul></li></ul>
<b>Packaging &amp; warehouse</b>	<ul style="list-style-type: none"><li>• Centralised at Treasury Americas Sonoma Bottling Centre</li></ul>





# Better together – realising the market opportunity

## Bringing together two great businesses with complementary cultures

- New Treasury Americas operating model to be effective 1 July 2024, including separated sales and marketing teams for the Luxury Estates and Premium portfolios
- Updated Treasury Americas leadership structure in place, with senior roles consisting of both Treasury Americas and DAOU leaders



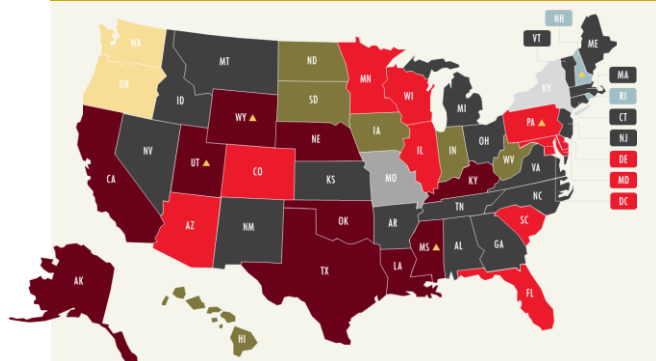
### Treasury Americas operating model design

Key design principles	What is changing?
<b>Talent</b> Retain and amplify the best of both organisations	<ul style="list-style-type: none"><li>• New, combined Treasury Americas Leadership Team and functional leads</li><li>• Senior roles consisting of Treasury Americas and DAOU team members</li></ul>
<b>Consumer-centricity</b> Enable Treasury Americas to show up for consumers and customers in a fundamentally different way	<ul style="list-style-type: none"><li>• Two distinct portfolios, Luxury Estates and Premium, with dedicated sales and marketing teams</li><li>• Elevated focus on DTC business</li></ul>
<b>Centres of excellence</b> Centralised 'back of house' to support execution for the Luxury Estates and Premium portfolios	<ul style="list-style-type: none"><li>• New Value Creation team chartered to unlock value across both portfolios<ul style="list-style-type: none"><li>- Bringing together rich consumer and market insights, commercial planning &amp; strategy, revenue management, distributor management and sales operations</li></ul></li></ul>

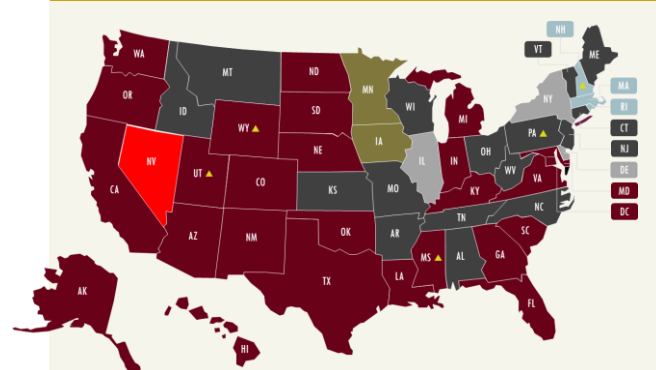
# Enhancing our distributor partnerships

## Allowing greater focus for our Luxury and Premium portfolios

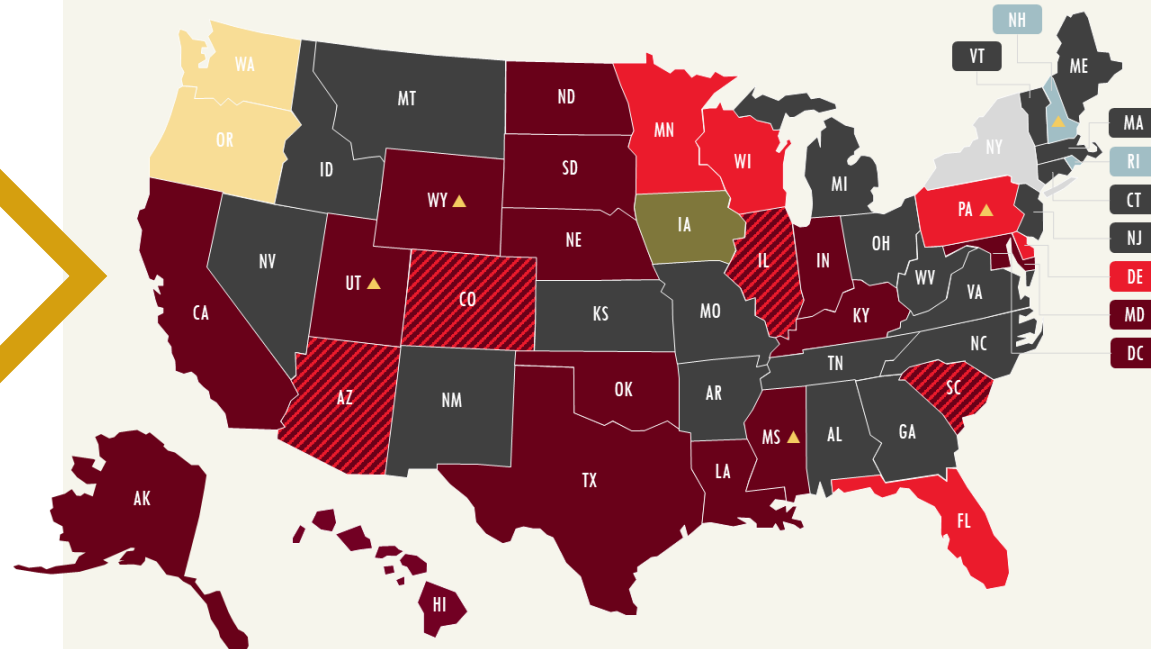
### TWE CURRENT STATE



### DAOU PRE-ACQUISITION



### TWE + DAOU FUTURE STATE



- Strategic review of US distribution post acquisition has led to an enhanced partnership model
- New model enables the Luxury portfolio focus through leveraging existing, long-term relationships
- Gaining stronger relationships with key national accounts will be a key benefit of the enhanced model.

### WHOLESALER

- |   |                                  |   |                    |                            |
|---|----------------------------------|---|--------------------|----------------------------|
| ● Republic National Distrib. Company (RNDC) | ● Breakthru Beverage Group (BBG) | ● RNDC Luxury/BBG Premium                 | ● Empire Merchants | ● Martignetti              |
| ● Johnson Brothers                          | ● Columbia Distributing Company  | ● Southern Glaziers Wine & Spirits (SGWS) | ● Multiple         | ● Control State w/- Broker |





# Luxury Estates Portfolio

Setting the standard for the US Luxury Wine Experience

DAOU

*Relentless pursuit of the extraordinary*

FRANK FAMILY  
VINEYARDS

*Luxury Leader in Chardonnay*

*Stags' Leap*

*125 years pioneering the Stags Leap  
district*

*Beaulieu Vineyard.*  
SINCE BV 1900

*First Growth Napa Cabernet*

ESTD 1876  
BERINGER

*Exceptional Napa  
Valley wine since 1876*

*Penfolds®*

*A Global luxury icon*

# Frank Family Vineyards

## Brand Story

### *A leader in Luxury Chardonnay*

Nestled in the shade of centuries-old elm trees, Frank Family Vineyards' iconic tasting room has been a part of Napa Valley's landscape for over 30 years. Founded by Rich Frank, former Disney Studios President, and Leslie Frank, it was first constructed as the historic Larkmead Winery in 1884. Over time the brand has become iconic for its Chardonnay, ranked number two in Luxury.

- Voted "Best Napa Tasting Room" and "Best Local Winemaker" in the 2022 Best of Napa Valley Awards
- The stone building on the property is the third oldest in Napa and appears on the National Register of Historic Places

## Growth Priorities

- Drive volume, grow share and boost demand for Carneros Chardonnay to become the leading US Luxury Chardonnay
- Grow Cabernet portfolio as an adjacency to existing strength in Chardonnay
- Host world class consumer / trade events and experiences at the Miller Barn to continue building brand awareness

## Key Wines

Carneros  
Chardonnay  
**\$40**



Carneros Pinot  
**\$40**

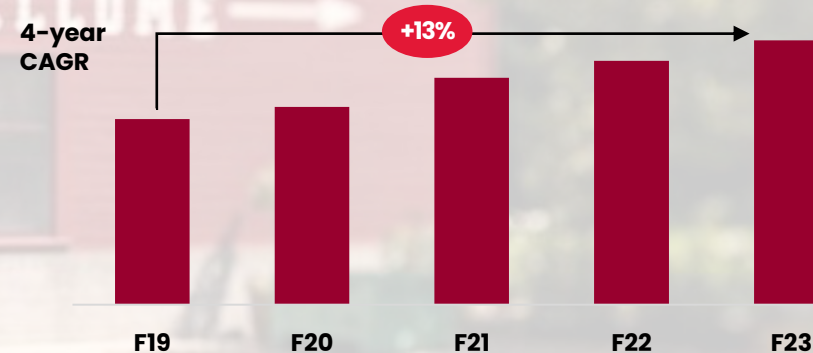


Napa Valley  
Cabernet  
Sauvignon  
**\$60**



**Suggested US\$ RRP per bottle**

## Historic NSR Performance (US\$)





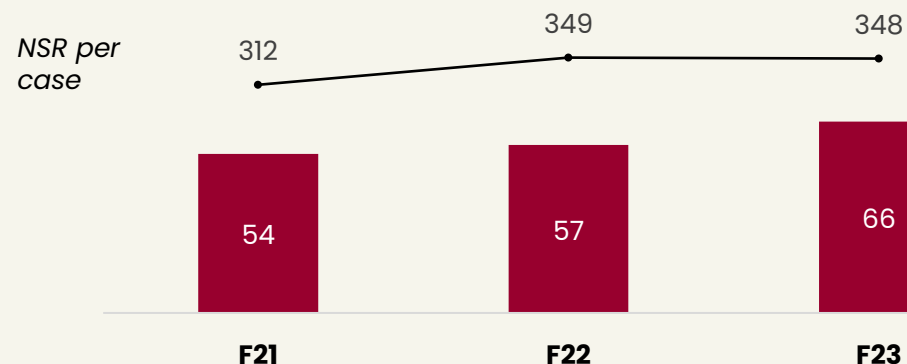
# Frank Family Vineyards

## Focused on leveraging our strengths to deliver growth for Frank Family Vineyards

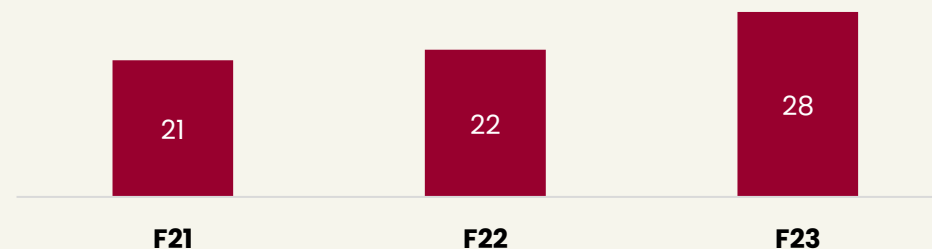
- TWE acquired Frank Family Vineyards for US\$315m in December 2021
- The acquisition business case is on track, focused on leveraging Treasury Americas strengths to sustainably scale the portfolio:
  - Incremental sourcing capacity, particularly for Chardonnay
  - Expanding national distribution through the multi-channel distribution network
- In F23, our first full year of ownership, Frank Family Vineyards delivered volume and NSR growth of 14%, with further growth expected in F24
- Incremental portfolio availability, sourced from the 2022 and 2023 vintages, is expected to support a step-up in growth for Frank Family Vineyards from F25
- Our ambition remains to double Frank Family Vineyards volume (F21: 170k cases)

### Frank Family Vineyards Performance

#### NSR (US\$m) and NSR per case (US\$)



#### EBITS (US\$m)



# Stags' Leap Winery

## Brand Story

### *125 years pioneering the Stags Leap district*

Stags' Leap Winery has always been driven by an indomitable spirit. Today, the famed winery, which is nestled in the heart of the appellation that bears its name, is one of the most venerated in California and famous for its Cabernet Sauvignon and Chardonnay. Located on one of California's earliest wine estates, a unique terroir and ideal microclimate support a classical standard of viticulture, land use and winemaking that is as relevant today as it was over a century ago.

- 5 times recognised as a "Top 100 Winery of the year" by Wine & Spirits magazine

## Growth Priorities

- With greater wine availability, build Stags' Leap as a leading Cabernet in the US
- Drive the "Take the Leap" campaign as the primary brand activation to build consumer engagement
- Enhanced distribution of Chardonnay and Petite Sirah as a key driver of brand awareness

## Key Wines

Napa Valley  
Chardonnay  
**\$35**



Napa Valley  
Petite  
Sirah  
**\$45**



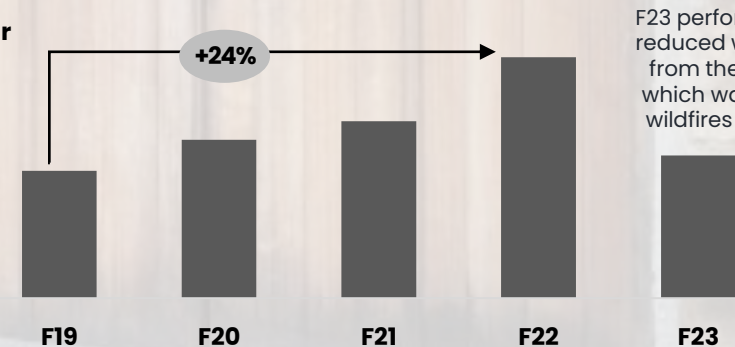
Napa Valley  
Cabernet  
Sauvignon  
**\$65**



*Suggested US\$ RRP per bottle*

## Historic NSR Performance (US\$)

3-year  
CAGR



F23 performance reflects reduced wine availability from the 2020 vintage, which was impacted by wildfires in Napa Valley



# Beaulieu Vineyard

## Brand story

### *First growth Napa Cabernet*

Few wineries have helped shape the craft, legacy, and legend of Napa Valley as much as Beaulieu Vineyard. Founded in 1900 by Georges de Latour, the winery has long set the benchmark for rich, classic Napa Valley wines.

- One of the oldest continually operating wineries in Napa Valley
- The brand's wine style was first crafted by André Tchelistcheff, the Godfather of Napa Valley winemaking
- 2019 Georges de Latour Private Reserve Cabernet Sauvignon received a perfect 100-point score and was awarded Wine of the Year 2022 by James Suckling

## Growth priorities

- Bring heritage to life to cement our position as a Napa icon, including through the re-development of our brand home
- Leverage Georges de Latour as the original Ultra-Luxury portfolio offering
- Continue to build on-premise share with 'by the glass' listings and consumer-led activations

## Key wines



Napa Valley  
Cabernet  
Sauvignon  
**\$40**



Rutherford  
Reserve  
Cabernet  
Sauvignon  
**\$80**

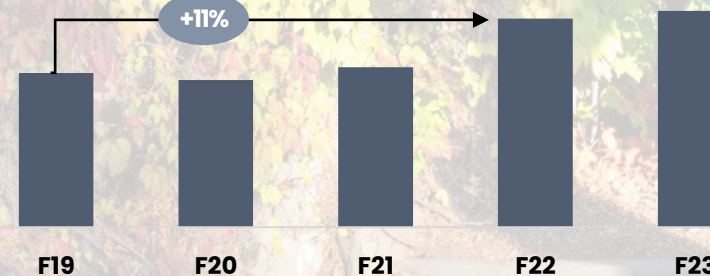


Georges  
De Latour  
Private  
Reserve  
Cabernet  
Sauvignon  
**\$160**

**Suggested US\$ RRP per bottle**

## Historic NSR performance (US\$)

3-year  
CAGR



Strategic revenue management supported NSR in F23, despite reduced wine availability from the 2020 vintage, which was impacted by wildfires in Napa Valley



## Brand story

### Exceptional Napa Valley wine since 1876

With a legacy of more than 145 years, Beringer is California's oldest continually operating winery and widely recognised as one of the most pivotal in the history of Napa Valley. To this day, it continues to shape and expand on the art of winemaking by bringing two renowned Cabernets to Luxury wine consumers – the wild Knights Valley and the refined Private Reserve.

- The first and only winery to have both a red and white wine named "Wine of the Year" by Wine Spectator
- 13 times recognised as a "Top 100 Winery of the year" by Wine & Spirits magazine

## Growth priorities

- Elevate trade and consumer perception with Luxury content and events
- Build identity for Knights Valley, driving pull through in off premise and "by the glass"
- Grow Private Reserve distribution in "A" accounts, creating a halo for the brand

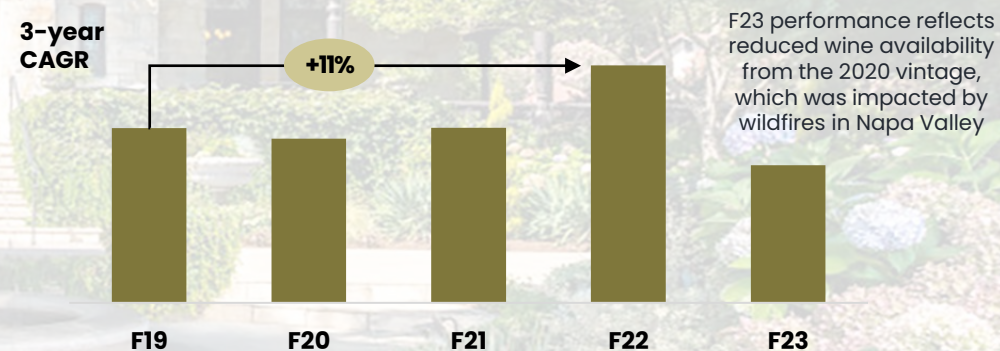
## Key wines

Knights Valley Cabernet Sauvignon <b>\$35</b>		Private Reserve Chardonnay <b>\$48</b>		Private Reserve Cabernet Sauvignon <b>\$170</b>	
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**\$40**

**Suggested US\$ RRP per bottle**

## Historic NSR performance (US\$)





## Brand story

### *A global Luxury Icon*

Since 1844, Penfolds has been grounded in experimentation, curiosity and uncompromising quality. It is this pioneering spirit and curiosity that still rings true after nearly two centuries. Penfolds Californian collection, released in 2021, is just another of example of this spirit coming to life, beginning our expansion to new country of origin wines.

- Penfolds has received 100 points, the perfect score, 20 times for the flagship Grange
- Penfolds was named 2021 "Winery of the Year" by Wine & Spirits magazine

## Growth priorities

- Leverage the Californian Collection to continue building awareness for Penfolds with the US Luxury wine consumer
- Grow Bin 389 through 'by the glass' in on-premise accounts, nationally

## Key wines

Bin 704  
**\$70**



Bin 389  
**\$80**



Grange  
**\$850**

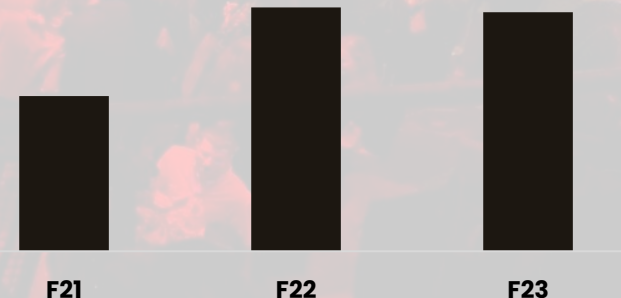


*Suggested US\$ RRP per bottle*

## Historic NSR performance (US only, US\$)

**F21-F23  
growth**

**+54%**



# Treasury Americas Outlook

- Our Luxury Estates portfolio, an exceptional collection of Luxury brands with strong consumer connection, is well positioned to support the delivery of sustainable, long-term growth in Treasury Americas
- As we approach F25, our focus is clear and centred on the following priorities:
  - Completing integration and continuing the strong growth momentum for DAOU
  - Delivering growth across our other Luxury Estates portfolio brands, supported by a double digit increase in portfolio availability<sup>1</sup>
  - Maintaining stability for our portfolio of Premium brands
  - Delivering margin improvement towards our long-term target in the high 20% range

<sup>1</sup> Excludes Penfolds, which is reported in Penfolds division





# Closing

**Tim Ford**  
Chief Executive Officer, Treasury Wine Estates







Over the past four years, **we have transformed Treasury Americas to be a Luxury focused business**, with the US being the largest and one of the most attractive Luxury wine markets in the world

The acquisition of DAOU establishes **Treasury Americas as a leader in US Luxury wine**. DAOU is an outstanding business and we are well positioned to continue its growth, supported by a team and asset base who are truly 'better together'

Our Treasury Americas Luxury Estates portfolio is an **exceptional collection of acclaimed and iconic brands**. The portfolio is **well positioned for growth** with incremental availability, distribution expansion and consumer engagement key to our success

This is a **truly unique opportunity** to create another outstanding Luxury platform alongside Penfolds, **building on the existing strengths of TWE**: our global brand building capability, distribution model, winemaking asset base and world class team



# Definitions

<b>9Le</b>	9 litre equivalent case
<b>AVA</b>	American viticultural area
<b>Commercial wine</b>	Wine that is sold at a retail price point below US\$8 per bottle
<b>CAGR</b>	Compound annual growth rate
<b>COO</b>	Country of origin
<b>CWD</b>	Category-weighted distribution. Reports a product's distribution weighted by the dollar sales of the stores carrying the category. Only includes stores where the category is selling. Weights stores with higher category sales more than stores with lower category sales.
<b>CYXX</b>	Calendar year ending 31 December 20XX
<b>DTC</b>	Direct to consumer
<b>EBITS</b>	Earnings before interest, tax, material items and SGARA
<b>EPS</b>	Earnings per share
<b>FXX</b>	Financial year ending 30 June 20XX
<b>Luxury wine</b>	Wine that is sold at a retail price point above US\$20 per bottle
<b>Material items</b>	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
<b>MULO+C</b>	Circana geography category representing multi-outlet and convenience stores
<b>NSR</b>	Net Sales Revenue

<b>Premium wine</b>	Wine that is sold at a retail price point between US\$8 and US\$20 per bottle
<b>SG&amp;A</b>	Selling, general and administrative
<b>SGARA</b>	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
<b>TA</b>	Treasury Americas division
<b>TPB</b>	Treasury Premium Brands division
<b>US Trade</b>	US retail scan channels

