TREASURY
WINE ESTATES

Treasury Wine Estates

Annual 2021 financial result

Treasury Wine Estates will host an investor and analyst webcast and conference call commencing at 10:00am (AEST) on 19 August 2021. Links to register for the conference are provided below. Upon registration for the conference call, participants will receive a unique ID and dial in details. A replay of the presentation will also be available on the website www.tweglobal.com from approximately 1:00pm AEST.

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.

Link to register for teleconference

https://apac.directeventreg.com/registration/event/2189000

Link to join audio webcast

https://edge.media-server.com/mmc/p/xppapbkt

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ASX ANNOUNCEMENT 19 August 2021

Strong execution delivering organic[1] revenue and EBITS growth F21 NPAT up 2% to $250m and EPS up 2% to 34.7cps[2,3]

Financial highlights

Performance metric (A$m unless marked otherwise)	F21	% Chg. Reported	% Chg. Constant Currency	% Chg. Organic[1]
Net Sales Revenue	2,569.6	(3.0)%	1.3%	4.4%
Earnings Before Interest, Tax, SGARA and Material Items (EBITS)	510.3	(0.4)%	2.8%	3.5%
EBITS Margin	19.9%	0.6ppts	0.3ppts	
Net Profit After Tax	250.0	1.8%	5.5%	
Earnings Per Share (A$ cents)	34.7	1.8%	5.5%	
Net Profit After Tax before Material Items and SGARA	309.6	3.0%	6.4%	
Earnings Per Share before Material Items and SGARA (A$ cents)	42.9	2.9%	6.2%	

- F21 EBITS of $510.3m was in line with the prior year despite Mainland China EBITS declining by $77.3m, and EBITS margin increased 0.6ppts to 19.9%; on an organic basis, EBITS increased 3%
- NSR per case increased across all regions, driven by continued premiumisation and consumer-led portfolio expansion, with the Luxury and Premium portfolios now contributing 77% of global NSR, up from 71% in F20
- ROCE of 10.8% an improvement of 0.6ppts on the prior year and ahead of the Group's weighted average cost of capital
- Full year cash conversion 100.8%, with Net Operating Cashflow 4% favourable to the prior year; cash conversion excluding the investment in Luxury and Premium inventory was 96.9%
- Strong, flexible balance sheet and investment grade credit profile retained, with Net Debt[4] down $376.5m in F21 to $1,057.7m and Net Debt to EBITDAS 1.6x, down from 2.1x in F20
- Final dividend of 13.0 cents per share declared, fully franked, an increase of 62.5% on F20 final dividend; full year payout of 28.0 cents per share, or 65% of NPAT, consistent with TWE's long-term dividend policy

Business highlights

- In F21, TWE delivered strong growth in the $10-30 Premium portfolio in the Americas, EMEA and ANZ regions, led by 19 Crimes, Pepperjack, Squealing Pig, Beringer Brothers and Matua. These positive growth trends were moderated by ongoing global pandemic disruptions, higher COGS and significantly reduced shipments to Mainland China following the introduction of import duties on Australian wine[5]
- TWE is progressing with its plans to drive incremental growth for the Penfolds Bins & Icons portfolio, with global NSR growing 7% in F21 supported by accelerated investment in sales and marketing capability to build demand and drive distribution and availability across key growth markets. Continued recovery in key Luxury sales channels will be an important enabler of future Penfolds portfolio growth
- TWE's business in the United States has undergone fundamental changes in asset base, strategy and team and is now well placed for sustainable long-term success, as reflected by the 54% Americas constant currency EBITS growth delivered in F21
- Effective 1 July 2021, TWE transitioned to a new operating model under three brand-led portfolio divisions – Penfolds, Treasury Premium Brands and Treasury Americas – which it expects to maximise the benefits of separate focus across its diverse brand portfolios and leverage the scale of its global business model[6]

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[1] On a constant currency basis, excluding US Commercial portfolio brands divested in March 2021
[2] Unless otherwise stated, all figures and percentage movements outlined in the ASX announcement are stated on a reported currency basis versus the prior corresponding period and are subject to rounding
[3] TWE has updated its accounting policies in relation to the treatment of configuration and customisation costs in cloud computing arrangements in accordance with *IFRIC agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS38 Intangible Assets)*, resulting in the restatement of historical financials for the period F18 to F20. Refer to Appendix 1 for further information
[4] *Excludes* fair value adjustments related to derivatives in a fair value hedge relationship on a portion of US Private Placement Notes: F21 +$21.6m, F20 +$41.7m
[5] In August 2020, the Chinese Ministry of Commerce ("MOFCOM") announced anti-dumping and countervailing investigations into imports of Australian wine in containers of two litres or less. In November and December 2020, MOFCOM announced provisional anti-dumping and countervailing measures. In March 2021, MOFCOM announced its final determination, with a combined duty rate of 175.6% to be applied to the value of TWE wine imported into Mainland China
[6] Refer to Appendix 2 for a summary of divisional financial performance

F21 result summary

Treasury Wine Estates Limited (ASX:TWE or "the Company") today announced its annual 2021 financial result, with NPAT up 2% to $250.0m and EPS up 2% to 34.7 cents per share.

TWE reported EBITS of $510.3m, in line with the prior year, and EBITS margin 0.6ppts higher to 19.9%.

On an organic basis, EBITS increased 3%, reflecting top-line growth driven by the $10-30 Premium portfolio and improved CODB, moderated by ongoing impacts from the global pandemic, significantly reduced shipments to Mainland China in F21 following the implementation of import duties and higher COGS on Australian sourced wine.

Net material items loss of $66.1m (post-tax) recognised in F21 relating to divestment of US brands and assets, the South Australian Luxury winery expansion and overhead and supply chain restructuring programs.

Strong operating cash flow reflects a lower Californian vintage intake and an adjusted Australian vintage, in addition to the shift in regional sales mix in Asia. F21 cash conversion was 100.8% and 96.9% excluding the change in non-current Luxury and Premium inventory, in line with TWE's target of 90% or above.

TWE's flexible and efficient capital structure remains a key strength, with Net Debt reducing by $376.5m in F21 to $1,057.7m (inclusive of $140.7m favourable currency movement) and Net Debt to EBITDAS of 1.6x significantly improved from 2.1x at the end of F20, reflecting the maintenance of TWE's investment grade credit profile. Total available liquidity of approximately $1.2bn was on hand at the end of F21 (F20: $1.4bn).

ROCE improved 0.6ppts to 10.8%, ahead of the Group's cost of capital, and TWE will continue to take a disciplined approach to capital allocation.

The Board declared a final dividend of 13.0 cents per share (up 62.5% on the F20 final dividend), representing a full year dividend of 28.0 cents per share and a payout ratio of 65% NPAT, consistent with TWE's long-term dividend policy.

Key highlights from a regional perspective include:

- Asia reported a 15% decline in EBITS to $205.4m and an EBITS margin of 36.3% (down 2.8ppts) with shipments to Mainland China significantly reduced following the implementation of import duties on Australian wine (Mainland China EBITS declined $77.3m in F21). Pleasingly this impact was partially offset by continued growth across the rest of the region, in particular for Penfolds Bins & Icons, despite ongoing pandemic restrictions to key Luxury sales channels. Margins were impacted by one-off product re-work and logistics costs, as well as committed brand investment in Mainland China.
- Americas reported a 23% increase in EBITS to $168.3m and an EBITS margin of 17.0% (up 4.2ppts), with positive momentum accelerating across the retail and e-commerce channels for TWE's Premium brand portfolio which continues to outperform the market, led by 19 Crimes. In F21, TWE implemented significant changes to its business model in the United States, including the divestment of a significant portion of its Commercial portfolio.
- ANZ reported a 10% increase in EBITS to $142.7m and an EBITS margin of 23.7% (up 1.7ppts) reflecting ongoing portfolio premiumisation, including growth in Penfolds Bins & Icons. Partially offsetting was higher COGS per case across the Commercial and Premium portfolios.
- EMEA reported a 6% decline in EBITS to $46.6m and an EBITS margin of 11.3% (down 2.1ppts), with 12% top-line growth driven by strong performance in retail channels. Offsetting were higher COGS and higher CODB, including one-off Brexit related costs. TWE's focus brands continue to perform strongly across key EMEA markets.

On today's results announcement, TWE's Chief Executive Officer Tim Ford commented: "F21 was a year of both significant change and achievement for our business, with the financial results we have announced today a testament to the commitment and strength of our global teams. Most pleasingly, despite a backdrop of significant external disruption, we have delivered on the priorities we set for ourselves at the start of the year, and therefore we remain very well placed to deliver on the long-term growth ambitions we set out in our TWE 2025 strategy."

Future perspectives

TWE's financial objective is to deliver sustainable top-line growth and high-single digit average earnings growth over the long-term[7].

In F22, TWE is positive on its outlook across key markets outside of Mainland China, with its focus to be on delivering continued momentum behind the Premium portfolio, which has shown strong performance globally in F21. In addition, TWE will continue to execute plans to deliver growth for Penfolds Bins and Icons, with encouraging performance having been delivered in F21, and particularly in 4Q21.

The short-term impact of the COVID-19 pandemic on trading conditions in TWE's key markets remains uncertain, despite recent reopening in on-trade channels and improving trade through cellar doors. Retail and e-commerce channels continue to perform strongly, albeit with moderating rates of growth, while travel retail remains severely impacted. Continued reopening of key sales channels will be an important enabler of future Luxury portfolio growth.

COGS per case are expected to remain elevated in F22, with benefits associated with the lower cost 2021 Australian vintage (Commercial portfolio) to be offset by the higher cost 2020 Australian vintage (for the Premium portfolio), recent higher cost US Luxury vintages and dis-synergies following the US Commercial portfolio divestment. TWE has established programs in place to improve COGS which will have a modest benefit in F22, with full run rate benefits of at least $75m expected in F23 and beyond.

On TWE's outlook, Tim Ford commented: "In F22, we enter a new phase for TWE under our brand portfolio divisional operating model, led by Penfolds, Treasury Premium Brands and Treasury Americas. Whilst it's early days in this change program, it is already very clear to our teams that with each division focused on their unique strategic priorities and performance accountabilities, we are better positioned to take advantage of previously untapped growth opportunities across the globe. This is a truly exciting stage in our journey as we progress deliberately and at pace towards our ambitions and goals."

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[7] Organic, pre material items and on a constant currency basis. Continuation of COVID-19 related disruptions to key sales channels for Luxury wine may influence short-term performance

Profit Report
Key Highlights

Business headlines

- In F21, TWE demonstrated strong execution and organisational resilience during a year of significant disruption, including ongoing impacts from the global pandemic, the Californian wildfires and the introduction of import duties on Australian wine in Mainland China
- Top-line growth in Asian markets outside of Mainland China, the Americas, ANZ and EMEA reflects positive momentum across TWE's globally diversified business; organic[8] NSR grew 4.4% in F21
- TWE continues its premiumisation journey, with NSR per case up in each region and the contribution of the Luxury and Premium portfolios increasing to 77% of global NSR (up from 71% in F20)
- Consumer and experience led portfolio expansion was a highlight in F21, with brand innovations such as Penfolds California Collection and 19 Crimes Cali Red and Rose varietals enjoying outstanding success
- TWE's business in the United States has been fundamentally changed and is now well placed for sustainable long-term success, with the divestment of a significant portion of the Commercial portfolio in March 2021 and route to market changes, particularly in California and Texas, important milestones. TWE is continuing to progress initiatives focused on the divestment and exit of other non-priority brands, operating assets and leases, and these remain on track for completion by end 1H22
- TWE is progressing with its plans to drive incremental growth for the Penfolds Bins & Icons portfolio, with global NSR growing 7% in F21, supported by accelerated investment in sales and marketing capability to build demand and drive distribution and availability across key growth markets. The release of the Californian Collection, Penfolds first multi-COO release, was a significant brand highlight in F21
- TWE has made significant progress on its global supply chain optimisation program, and now expects to achieve annualised benefits of at least $75m by F23[9]
- Effective 1 July 2021, TWE transitioned to a new operating model under three brand-led portfolio divisions – Penfolds, Treasury Premium Brands and Treasury Americas. TWE expects this model will maximise the long-term benefits of separate focus across its diverse brand portfolios and leverage the scale of TWE's global business model

F21 Luxury and Premium contribution to Group NSR

77% ▲ 6ppts vs. pcp

EBITS by region

A$m	F21	F20 Restated	%	F20 Restated	%
		Reported currency		Constant currency	
Americas	168.3	136.9	22.9%	109.2	54.1%
Asia	205.4	241.5	(14.9)%	248.2	(17.2)%
ANZ	142.7	130.1	9.7%	138.4	3.1%
EMEA	46.6	49.5	(5.9)%	46.0	1.3%
Corporate	(52.7)	(45.4)	(16.1)%	(45.2)	(16.6)%
TWE EBITS	**510.3**	**512.6**	(0.4)%	**496.6**	2.8%

Financial headlines[10,11]

- EBITS of $510.3m before material items up 2.8% and EBITS margin increased 0.3ppts to 19.9%; on an organic basis, EBITS increased 3.5%
- Strong growth in the $10-30 Premium portfolio and improved CODB was moderated by ongoing impacts from the global pandemic, significantly reduced shipments to Mainland China following the implementation of import duties and higher COGS on Australian sourced wine
- NPAT and EPS (before material items and SGARA) increased 6.4% and 6.2% respectively
- Cash conversion of 100.8% reflects continued strong operating cash flow performance, a lower Californian vintage intake and an adjusted Australian vintage intake, in addition to the shift in regional sales mix in Asia. Excluding the change in non-current Luxury and Premium inventory, cash conversion was 96.9%
- TWE's strong, flexible balance sheet and investment grade capital structure retained, with Net Debt[12] reducing $376.5m to $1,057.7m (inclusive of $140.7m favourable currency movement) and Net Debt to EBITDAS significantly improved to 1.6x (F20: 2.1x)
- A post-tax net material items loss of $66.1m has been recognised in F21 and relates to divestment of US brands and assets, the South Australian Luxury winery expansion and the overhead and supply chain restructuring programs
- TWE has to date confirmed cash proceeds totalling approximately $150m as a result of the asset divestments in the US, and continues to expect net cash inflows under the restructuring program to total approximately $300m

Dividend

- Final dividend 13.0 cents per share (up 62.5% on the F20 final dividend), fully franked, representing a pay-out ratio of 65%[13]

Outlook

- TWE's financial objective is to deliver sustainable top-line growth and high-single digit average earnings growth over the long-term[14]
- In F22, TWE is positive on its outlook across key markets outside of Mainland China, with its focus to be on continuing the strong momentum in its Premium portfolio in addition to executing plans to drive continued growth for Penfolds Bins & Icons in key markets outside of Mainland China. COGS per case are expected to remain elevated, with benefits from the lower cost 2021 Australian vintage (Commercial portfolio) offset by the higher cost 2020 Australian vintage (Premium portfolio), recent higher cost US Luxury vintages and dis-synergies following the US commercial portfolio divestment
- TWE will continue to closely monitor global demand trends and will adjust intake for the upcoming Australian vintages in 2022 and 2023, as required. Key initiatives include bringing forward vineyard redevelopment programs that will reduce intake from its own asset base in the short term while positioning for growth again in the long-term, in addition to reviewing upcoming grower contract renewals
- TWE expects Net Debt to EBITDAS to remain below its up to 2.0x target throughout F22

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[8] On a constant currency basis, excluding US Commercial brands divested in March 2021
[9] F20 base, excluding inflation and volume mix-impact on COGS
[10] Financial information in this report is based on audited financial statements. Non-IFRS measures will not be subject to audit or review. The non-IFRS measures are used internally by Management to assess the operational performance of the business and make decisions on the allocation of resources
[11] Unless otherwise stated, all percentage or dollar movements from prior periods contained in the Profit report are pre-material items on a constant currency basis versus the prior corresponding period and are subject to rounding
[12] Net debt *excludes* fair value adjustments related to derivatives that are in a fair value hedge relationship on a portion of US Private Placement notes: F21 +$21.6m, F20: +$41.7m
[13] TWE targets a dividend payout ratio of between 55%-70% of Net Profit After Tax (pre-material items and SGARA) over a fiscal year
[14] Organic, pre material items and on a constant currency basis. Continuation of COVID-19 related disruptions to key sales channels for Luxury wine may influence short-term performance

Profit and Loss

$Am (unless otherwise stated)	F21	Reported Currency F20	Reported Currency Change	Constant Currency F20	Constant Currency Change
Net sales revenue	2,569.6	2,649.5	(3.0)%	2,535.4	1.3 %
NSR per case ($)	*83.84*	*81.88*	*2.4 %*	*78.35*	*7.0 %*
Other Revenue	28.2	28.7	(1.7)%	26.1	8.0 %
Cost of goods sold	(1,573.1)	(1,588.9)	1.0 %	(1,501.3)	(4.8)%
Cost of goods sold per case ($)	*51.32*	*49.10*	*(4.5)%*	*46.39*	*(10.6)%*
Gross profit	1,024.7	1,089.3	(5.9)%	1,060.2	(3.3)%
Gross profit margin (% of NSR)	*39.9%*	*41.1%*	*(1.2)ppts*	*41.8%*	*(1.9)ppts*
Cost of doing business	(514.4)	(576.7)	10.8 %	(563.6)	8.7 %
Cost of doing business margin (% of NSR)	*20.0%*	*21.8%*	*1.8ppts*	*22.2%*	*2.2ppts*
EBITS (before material items)	**510.3**	**512.6**	**(0.4)%**	**496.6**	**2.8 %**
EBITS margin (%)	*19.9%*	*19.3%*	*0.6ppts*	*19.6%*	*0.3ppts*
SGARA	9.4	(41.3)	NM	(41.5)	NM
EBIT (before material items)	**519.7**	**471.3**	**10.3 %**	**455.1**	**14.2 %**
Net finance costs	(73.5)	(85.9)	14.4 %	(80.6)	8.8 %
Tax expense	(130.1)	(113.7)	(14.4)%	(112.5)	(15.6)%
Net profit after tax (before material items)	**316.1**	**271.7**	**16.3 %**	**262.0**	**20.6 %**
Material items (after tax)	(66.1)	(26.2)	NM	(25.0)	NM
Non-controlling interests	-	-	-	-	-
Net profit after tax	**250.0**	**245.5**	**1.8 %**	**237.0**	**5.5 %**
Reported EPS (A¢)	34.7	34.1	1.8 %	32.9	5.5 %
Net profit after tax (before material items and SGARA)	**309.6**	**300.5**	**3.0 %**	**291.0**	**6.4 %**
EPS (before material items and SGARA) (A¢)	42.9	41.7	2.9 %	40.4	6.2 %
Average no. of shares (m)	721.4	719.9		719.9	
Dividend (A¢)	28.0	28.0	-	28.0	-

Revenue

- NSR increased 1.3% (4.4% on an organic basis) driven by strong execution and continued premiumisation momentum across all regions. Partly offsetting were the continuation of global pandemic disruptions to key sales channels for Luxury wine, the significant decline in shipments to Mainland China as a result of implementation of import duties and the divestment of US Commercial brands in March 2021
- NSR per case grew in all regions and increased 7.0% at a Group level, led by the Premium portfolio, while disruptions to key channels for Luxury wine continued to impact volumes. In F21, the Luxury and Premium portfolios combined contributed 77% of TWE's global NSR (up from 71% in F20)
- F21 other revenue includes insurance proceeds relating to the California wildfires

Cost of Goods Sold (COGS)

- COGS per case increased 10.6% due to the portfolio mix shift, higher COGS on Australian sourced Commercial and Premium wine, the impact of inventory damaged by the Californian wildfires and one-off costs relating to the implementation of import duties in Mainland China and Brexit

Cost of Doing Business (CODB)

- CODB improved 8.7% and CODB margin improved 2.2ppts to 20.0%, driven by:
  - The new US sales and marketing model and organisational structure (implemented 4Q20); and
  - In Mainland China, lower overheads under the future state business model and alignment of brand building investment to reduced sales volume

Corporate costs

Corporate costs increased 16.6% to $52.7m, reflecting higher discretionary employee incentives in F21

EBITS

- EBITS $510.3m in line with the prior year on a reported basis and up 2.8% on a constant currency basis; on an organic basis, EBITS increased 3.5%
- EBITS margin increased 0.3ppts to 19.9%; TWE continues to target delivery of 25% Group EBITS margin

SGARA

- SGARA gain of $9.4m reflects gains from the high yielding 2021 Australian vintage and the unwinding of prior period losses, partly offset by the impact of a significant reduction in tonnage and yield from the 2020 Californian vintage which resulted in a loss of $24.0m

Net finance costs

- Net finance costs were 8.8% favourable in F21, driven by lower average net borrowings and the benefit of lower average interest rates

Tax expense

- Increase in tax expense reflects higher earnings in F21, with the effective tax rate of 29.1% consistent with the prior year

Material Items

- A post-tax net material items loss of $66.1m has been recognised in F21 and relates to the divestment of US brands and assets, the South Australian Luxury winery expansion and the overhead and supply chain restructure

Net profit after tax (NPAT)

- NPAT before material items and SGARA $309.6m, up 6.4%, driven by lower net finance costs and tax expense

Earnings Per Share (EPS)

- EPS (before SGARA and material items) increased 6.2% to 42.9 cents per share. Reported EPS increased 5.5% to 34.7 cents per share

Balance Sheet (condensed)[15]

A$m	F21	F20 Restated
Cash & cash equivalents	448.1	449.1
Receivables	622.0	554.1
Current inventories	839.7	1,017.4
Non-current inventories	1,056.8	1,059.2
Property, plant & equipment	1,322.5	1,397.4
Right of use lease assets	448.4	517.0
Agricultural assets	33.8	34.1
Intangibles	1,155.5	1,294.1
Tax assets	183.7	193.8
Assets held for sale	140.2	74.3
Other assets	33.5	54.2
Total assets	**6,284.2**	**6,644.7**
Payables	703.6	682.1
Interest bearing debt	915.2	1,227.0
Lease liabilities	612.6	698.6
Tax liabilities	330.7	357.2
Provisions	104.8	59.2
Other liabilities	26.1	24.5
Total liabilities	**2,693.0**	**3,048.6**
Net assets	**3,591.2**	**3,596.1**

Balance sheet movements as at 30 June 2021

Net assets declined $4.9m to $3,591.2m. Adjusting for movements in foreign exchange rate movements, net assets increased by $113.4m

Working Capital

Working capital declined $133.7m to $1,814.9m:

- Inventory declined $180.1m to $1,896.5m. Including the impact of foreign currency movements from the stronger Australian dollar:
  - Current inventory declined $177.7m to $839.7m and includes the reduction in inventories following the disposal of US Commercial portfolio brands
  - Non-current inventory was broadly in line with the prior year, with the carry-forward of Luxury inventory that had been allocated for sale in Mainland China and the higher 2021 vintage in Australia largely offset by the lower 2020 vintage in California
  - Luxury inventory declined 2% to $1,072.3m, with volume in line with the prior year
- Receivables increased $67.9m, including a receivable of approximately $40m relating to insurance claims associated with the California wildfires

Property, Plant & Equipment

Property, Plant & Equipment decreased $74.9m to $1,322.5m driven by foreign currency movements and the transfer of assets in the US to be held for sale as part of key restructuring initiatives

Right of use lease assets

Right of use lease assets decreased $68.6m to $448.4m driven by depreciation expense and foreign currency movements

Agricultural assets

Agricultural assets represent the fair value of unharvested grapes prior to the 2021 Northern hemisphere vintages

Intangibles

Intangible assets decreased by $138.6m to $1,155.5m, driven by foreign currency movements and divestment of Commercial brands in the US

Tax and other assets

Decrease in net tax liabilities driven by higher instalments paid in F21 and foreign currency movements

Assets held for sale

Assets held for sale primarily relate to assets in the US, including wineries, vineyards and brands identified for disposal as part of plans to deliver the future state premium wine business

Other assets and liabilities

Other assets and liabilities include derivatives in relation to TWE’s foreign currency and interest rate hedging program

Provisions

Provisions includes allowance for future repairs on leased assets damaged by the Californian wildfires, recoverable under insurance

Net Borrowings[16]

Net Borrowings, including lease liabilities per AASB 16, decreased by $396.8m to $1,079.7m comprising:

- Cash, which was broadly in line with prior year $448.1m
- Interest bearing borrowings decreased by $311.8m to $915.2m
- Lease liabilities decreased $86.0m to $612.6m

Balance sheet leverage

Net debt to EBITDAS 1.6x, down from 2.1x in F20. For financial covenant reporting purposes, which excludes the capitalisation of leases, Net debt to EBITDAS was 0.9x and interest cover was 11.9x

Funding structure

At 30 June 2021, TWE had committed debt facilities totalling approximately $1,692.7m, comprising;

- Drawn bank facilities of $466.0m and $432.7m of US Private Placement notes
- Undrawn committed, bilateral debt facilities totalling $794.0m

The weighted average term to maturity of committed facilities was 4.0 years at 30 June 2021, with the Group’s liquidity position (including cash and committed undrawn facilities) totalling $1,242.1m

[15] Unless otherwise stated, balance sheet percentage or dollar movements from the previous period are on a reported currency basis
[16] Interest bearing debt *includes* fair value adjustments related to derivatives that are in a fair value hedge relationship on a portion of US Private Placement notes: F21 +$21.6m, F20 +41.7m

Cash flow – reconciliation of net debt[17]

A$m (unless otherwise stated)	F21	F20 Restated
EBITDAS	**661.0**	**675.9**
Change in working capital	(60.3)	(22.2)
Other items	65.6	(14.9)
Net operating cash flows before financing costs, tax & material items	**666.3**	**638.8**
Cash conversion	**100.8%**	**94.5%**
Payments for capital expenditure and subsidiaries	(121.2)	(166.9)
Proceeds from sale of assets	4.8	100.2
Cash flows after net capital expenditure, before financing costs, tax & material items	**549.9**	**572.1**
Net interest paid	(72.3)	(84.1)
Tax paid	(118.4)	(168.0)
Cash flows before dividends & material items	**359.2**	**320.0**
Dividends/distributions paid	(158.7)	(276.3)
Cash flows after dividends before material items	**200.5**	**43.7**
Material item cash flows	53.1	(19.8)
On-market share purchases	0.9	(4.9)
Total cash flows from activities (before debt)	**254.5**	**19.0**
Net (repayment) / proceeds from borrowings	(245.8)	28.8
Total cash flows from activities	**8.7**	**47.8**

Opening net debt	**(1,434.2)**	**(1,380.0)**
Total cash flows from activities (above)	254.5	19.0
Net lease liability additions	(18.7)	(41.3)
Net debt acquired	-	(4.9)
Debt revaluation and foreign exchange movements	140.7	(27.0)
(Increase) / Decrease in net debt	**376.5**	**(54.2)**
Closing net debt	**(1,057.7)**	**(1,434.2)**

Movement in net debt

Net debt[18] declined $376.5m to $1,057.7m, with drivers of the movement including:

EBITDAS

EBITDAS declined $14.9m to $661.0m on a reported currency basis, driven by foreign currency movements and lower depreciation expense following the divestment and transfer to held for sale of US assets as part of key restructuring initiatives

Movement in working capital[19]

Net working capital outflow of $60.3m is driven by the high-yielding 2021 Australian vintage and higher receivables, which include insurance claims associated with the Californian wildfires

Other items

Other items reflects movements in provisions, relating primarily to damage on leased properties from the Californian wildfires (against which a receivable has been recognised for insurance claims) and the write-down of intangibles and inventories as part of the divestment of US Commercial portfolio brands

Capital expenditure

Capital expenditure (capex) of $121.2m comprising:

- Maintenance & Replacement capex of $55.2m
- Growth capex of $66.0m including investment in South Australian Luxury winemaking infrastructure and long-term technology investments

In F22, capex is expected to be up to $150.0m, including up to $100 of maintenance and replacement expenditure and up to $50m of continued investment to support future premiumisation and growth

Proceeds from sale of assets

Reflects receipts from the sale of surplus supply assets, excluding material items

Net interest paid

Net interest paid favourable by $11.8m driven by lower average net borrowings and the benefits of lower average interest rates

Tax paid

Decrease in tax paid reflects lower earnings in F20 compared to F19

Dividends paid

Decrease in dividends paid reflects payment of the F21 interim dividend of 15 cents per share and the F20 final dividend of 8 cents per share. In F21, TWE paid dividends totalling $158.7m

Material item cash flows

Material item net cash inflow of $53.1m reflects the divestment of vineyard assets in California and a significant portion of the US Commercial brand portfolio in March 2021

On-market share purchases

No shares were purchased on market in F21

Net lease liability additions

Additions of $18.7m primarily reflects new leases of supply assets in Australia and California

Exchange rate impact

Higher period-end exchange rates used to revalue foreign currency borrowings and cash as at 30 June 2021 decreased net debt by $140.7m

Cash conversion

Cash conversion of 100.8% reflects continued strong operating cash flow performance, a lower Californian vintage intake and an adjusted Australian vintage intake, in addition to the shift in regional sales mix in Asia. Excluding the net change in non-current Luxury and Premium inventory, cash conversion was 96.9%

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[17] Unless otherwise stated, cash flow percentage or dollar movements from the previous period are on a reported currency basis
[18] Net debt *excludes* fair value adjustments related to derivatives that are in a fair value hedge relationship on a portion of US Private Placement Notes: F21 +$21.6m, F20 +$41.7m
[19] Change in working capital reflects operating cash flow movements

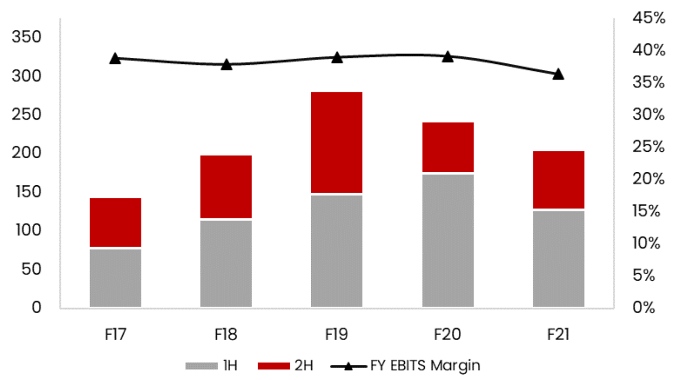
Regional Summaries

Asia

Financial performance

A$m	F21	F20 Restated	%	F20 Restated	%
		Reported currency		Constant currency	
NSR (A$m)	565.3	617.1	(8.4)%	615.1	(8.1)%
NSR per case (A$)	248.15	187.78	32.1%	187.17	32.6%
EBITS (A$m)	205.4	241.5	(14.9)%	248.2	(17.2)%
EBITS margin (%)	36.3%	39.1%	(2.8)ppts	40.4%	(4.1)ppts

Historical reported EBITS and EBITS margin



F21 Luxury and Premium contribution to NSR

94% ▲ 5ppts in F21

Business performance

- Volume and NSR declined 30.7% and 8.1% respectively:
  - Shipments to Mainland China were significantly reduced following the implementation of import duties
  - Throughout the rest of Asia, NSR rose 21.5% despite ongoing pandemic restrictions to key Luxury sales channels, driven by strengthening demand for TWE's brand portfolio including Penfolds Bins & Icons
- NSR per case increased 32.6%, reflecting improved mix as the contribution of the Luxury and Premium portfolios increased to 94% of Asia region NSR (an improvement of 5ppts)
- COGS per case increased 50.1% as a result of improved portfolio mix and one-off costs including additional freight (demurrage) costs on clearance delays through Chinese ports
- CODB improved 11.3%, driven by the alignment of brand investment in Mainland China (net of reinvestment to other regional markets) and reduced overheads under the future state business model
- In Mainland China, 2H21 EBITS totalled $5.3m, including sales of TWE's multi-COO portfolio (F21 Mainland China EBITS $84.1m, a $77.3m decline on F20)
- Regional EBITS declined 17.2% to $205.4m and EBITS margin declined 4.1ppts to 36.3%; excluding one-off costs relating to China, regional EBITS margin was in line with the high 30% margin target

Asian regional perspectives

- Wine consumption declined across Asia in 2020 as a result of pandemic related disruptions to key sales channels and consumption occasions[20]. Across large parts of the region, significant disruptions and impacts continue
- Over the long-term, the fundamentals of the wine category remain positive in Asia, with consumption of Premium and Luxury wine expected to return to growth
- The growth of the Penfolds Bins & Icons range is accelerating in key regional markets (including Hong Kong, Singapore, Malaysia and Thailand), satisfying previously unmet demand and reflecting the initial benefits of investment in sales and marketing capability. In F21, NSR ex-Mainland China grew 38% and TWE is targeting continued growth of the Penfolds Bins & Icons range in these markets in F22 and beyond
- In Mainland China, TWE will continue to invest in the portfolio as it progresses its multi-COO portfolio growth strategy, with 2H21 highlights including the launch of the Penfolds Californian Collection and the release of Rawson's Retreat sourced from South Africa

  Ongoing strong consumer demand for the Australian sourced Penfolds Bins & Icons continues, and TWE is planning to sell through these products at higher, tariff inclusive retail prices, through F22. TWE continues to expect minimal EBITS contribution in Mainland China, net of brand building investment, in F22

[20] IWSR 2021, imported wine only

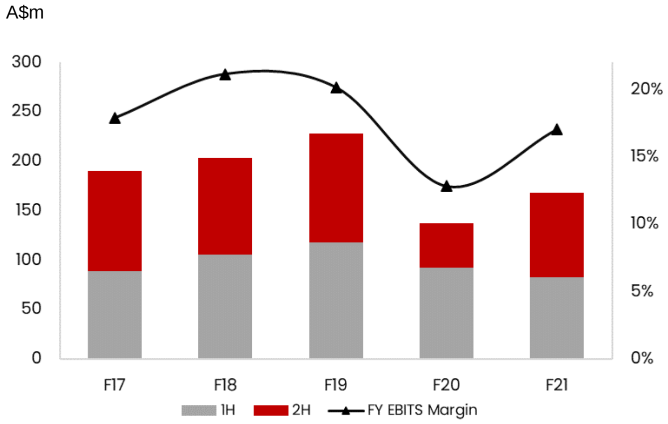
Regional Summaries

Americas

Financial performance[21]

A$m	F21	F20 Restated	%	F20 Restated	%
		Reported currency		Constant currency	
NSR (A$m)	988.7	1,069.4	(7.5)%	970.3	1.9%
NSR per case (A$)	87.13	86.06	1.2%	78.08	11.6%
EBITS (A$m)	168.3	136.9	22.9%	109.2	54.1%
EBITS margin (%)	17.0%	12.8%	4.2ppts	11.3%	5.7ppts
Organic		Reported currency		Constant currency	
NSR (A$m)	875.6	865.5	1.2%	787.0	11.3%
NSR per case (A$)	103.52	112.03	(7.6)%	101.87	1.6%
EBITS (A$m)	156.8	120.6	30.0%	94.7	65.6%
EBITS margin (%)	17.9%	13.9%	4.0ppts	12.0%	5.9ppts

Historical reported EBITS and EBITS margin



F21 Luxury and Premium contribution to NSR

80% ▲ 9ppts in F21

Business performance

- Volume declined 8.7% while NSR increased 1.9%, reflecting:
  - The divestiture of a significant portion of the US Commercial brand portfolio in March 2021; and
  - Strong momentum in the retail and e-commerce channel, which supported growth in the Premium portfolio
  - On an organic basis, shipments and NSR increased 9.5% and 11.3% respectively
- In the US, shipments were in line with depletions, and excluding new product launches, 3% below depletions
- NSR per case increased 11.6%, reflecting the impact to portfolio mix with the Luxury and Premium portfolios now contributing 80% of regional NSR (an improvement of 9ppts)
- COGS per case increased 6.7% as a result of mix shift, higher costs on US sourced Luxury and Commercial wine and the impact of inventory damaged by the Californian wildfires (the cost of this impact was recovered through insurance and disclosed as Other Revenue[22])
- CODB improved 13.5% driven by the new sales and marketing organisational structure that was implemented in 4Q20
- Regional EBITS increased 54.1% to $168.3m on a reported basis and EBITS margin increased 5.7ppts to 17.0%; on an organic basis, EBITS increased 65.6%

Americas regional perspectives

- Strong premiumisation trends have continued in the US market, with the $11+ price points growing 12% in F21[23]
- TWE's focus brand portfolio is continuing its strong momentum, growing 23% in F21 and outperforming the category, led by 19 Crimes, Penfolds, Beringer Brothers, Matua and St Huberts the Stag[23]
- The Americas delivered outstanding innovation success with 19 Crimes Cali Red becoming the number one growth brand in the category[23]and 19 Crimes Cali Rose resonating strongly with consumers after launching in March. In addition, the launch of the inaugural Penfolds Californian collection was met with an outstanding response from critics, customers and consumers
- In 4Q21, TWE saw modest recovery in on-premise, which has largely reopened, but activity remains below pre-pandemic levels due in part to reduced outlets and constraints on staff availability. Cellar doors have also reopened, with improved momentum in the lead up to the key summer period
- Transition of distribution arrangements to RNDC in California, Texas and several surrounding states has commenced, with minimal disruptions. TWE expects this partnership to support continued growth across its Premium and Luxury portfolios
- TWE continues to progress optimisation of its US asset base to ensure Treasury Americas is positioned for sustainable long-term success. Reducing supply chain dis-synergies following the Commercial portfolio divestment is a key priority in F22

[21] Organic performance on a constant currency basis, excluding US Commercial brands divested in March 2021
[22] Further insurance claims are currently in progress, determination pending
[23] IRI Market Advantage MULO+Conv; Still Wine Segment 52 wks ending 27 June 2021

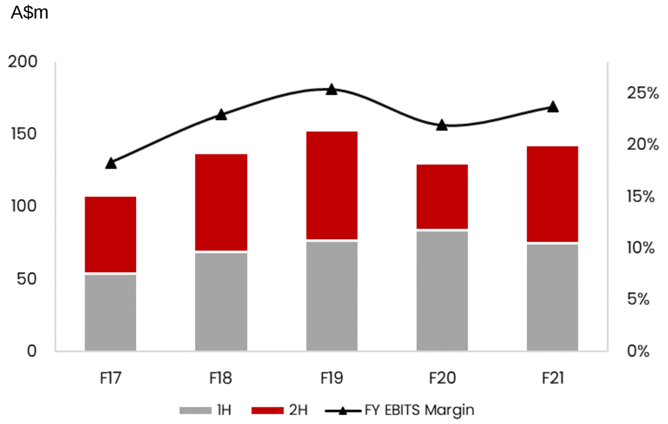
Regional Summaries

Australia & New Zealand (ANZ)

Financial performance

A$m	F21	F20 Restated	%	F20 Restated	%
		Reported currency		Constant currency	
NSR (A$m)	602.1	592.4	1.6%	591.8	1.7%
NSR per case (A$)	83.88	76.12	10.2%	76.04	10.3%
EBITS (A$m)	142.7	130.1	9.7%	138.4	3.1%
EBITS margin (%)	23.7%	22.0%	1.7ppts	23.4%	0.3ppts

Historical reported EBITS and EBITS margin



F21 Luxury and Premium contribution to NSR

78% ▲ 3ppts in F21

Business performance

- Volume declined 7.8% and NSR increased 1.8%, driven by:
  - Increased contribution from the Luxury and Premium portfolios, driven by TWE's focus brands;
  - Price uplift and optimised investment across select Premium portfolio brands; and
  - Reduced contribution of Commercial portfolio volumes
- NSR per case increased 10.3% driven by improved mix with the Luxury and Premium portfolios now contributing 78% of regional NSR, up 3ppts in F21
- COGS per case increased 14.1%, reflecting portfolio premiumisation, higher cost vintages for Australian sourced wine and incremental costs associated with finished goods that had been intended for sale in Mainland China
- CODB improved 8.9% driven by lower overheads and reduced A&P during the pandemic impacted period. These amounts are expected to normalise in F22
- Regional EBITS increased 3.1% to $142.7m and EBITS margin improved 0.3ppts to 23.7%

ANZ regional perspectives

- TWE expects Australian wine market volume and value growth to be driven by the Luxury and Premium price points, a trend which has continued strongly through the pandemic for trusted and well-known brands
- While there has been progressive re-opening of on-premise venues in Australia through F21, key sales channels for higher margin Luxury wine, including travel retail and cellar doors, remain subdued due to ongoing government restrictions on gatherings and mobility
- In the retail channel, market growth continues to be driven by above $10 price points, with the Premium price segment the biggest contributor to category growth in F21. TWE's focus brand portfolio continues to perform strongly, led by Pepperjack, St Huberts the Stag, Wynns, 19 Crimes and Squealing Pig[24]
- Penfolds Bins & Icons delivered strong gains in ANZ through F21, with NSR up 15%, setting a solid platform for future growth
- Innovation remains a key source of growth for TWE, with a highlight in F21 being the successful extension of Pepperjack into new emerging varietals to become a leader in the growing malbec and grenache categories in Australia[25]
- Retail market conditions remained favourable post the 2021 vintage despite the loss of Mainland China as an export market, with strong domestic consumption and export demand continuing. Australian retail pricing trends have remained constant.

[24] Aztec sales value data, bottle and canned wine only, Australia liquor weighted, 52 weeks to 4 July 2021
[25] Aztec sales value data, bottle and canned wine only, Australia liquor weighted, 52 weeks to 4 July 2021

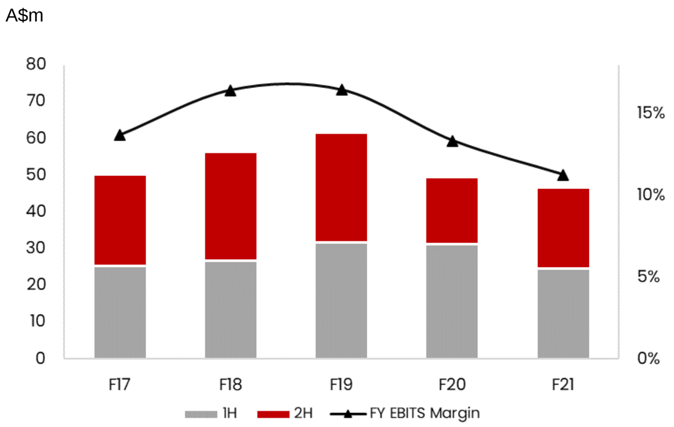
Regional Summaries

EMEA

Financial performance

A$m	F21	F20 Restated	%	F20 Restated	%
		Reported currency		Constant currency	
NSR (A$m)	413.5	370.6	11.6%	358.2	15.4%
NSR per case (A$)	41.99	41.81	0.4%	40.41	3.9%
EBITS (A$m)	46.6	49.5	(5.9)%	46.0	1.3%
EBITS margin (%)	11.3%	13.4%	(2.1)ppts	12.8%	(1.5)ppts

Historical reported EBITS and EBITS margin



F21 Luxury and Premium contribution to NSR

42% ▲ 7ppts in F21

Business performance

- Volume and NSR increased 11.1% and 15.4% respectively, led by growth in the Premium portfolio through retail channels across the UK and Continental Europe
- NSR per case improved 3.9%, reflecting improved portfolio mix, with the contribution of the Luxury and Premium portfolios increasing 7ppts to 42% of EMEA region NSR
- COGS per case increased 7.1%, driven by the improved portfolio mix, higher cost on Australian and US sourced wine and one-off Brexit related costs
- CODB increased 9.7%, with accelerated brand building investment for key portfolio brands the key driver
- EBITS increased 1.3% to $46.6m and EBITS margin declined 1.5ppts to 11.3%

EMEA regional perspectives

- Long-term wine category value growth is being driven by premiumisation across key EMEA markets, and TWE's Premium brand portfolio is well positioned to continue taking advantage of this trend
- The wine category remains in growth across key retail markets in EMEA, with in-home consumption a strong consumer trend resulting from the global pandemic. The recent change of restrictions in some markets is expected to see some softening in retail channel performance which may slow the pace of top-line performance throughout the region in F22
- Key focus brands including 19 Crimes, Penfolds, Matua, Wolf Blass, Blossom Hill, Lindeman's and Squealing Pig all delivered strong top-line growth in F21, with 19 Crimes the stand-out after becoming a 1m+ case brand across EMEA

Vintage update

Australia

The 2021 Australian vintage was 31% higher[26] than the 2020 vintage after a season characterised by excellent growing conditions. TWE benefited from a more even intake over an extended period of time fully utilising the winery network and resulting in good grade conversion for key varietals. A highlight was the quality of the Cabernet Sauvignon from the Limestone Coast for key brands. Proactive adjustments were made to intake volumes in response to revised demand expectations for Mainland China.

California

The 2021 California growing season has been influenced by persistent drought conditions. There was minimal frost experienced early in the growing season and fruit set conditions were generally favourable across the state. However, the drought conditions and above average temperatures are expected to impact berry sizing and overall yield. Quality is expected to be sound based on the season thus far, particularly in regions with sufficient water.

New Zealand

The 2021 New Zealand vintage was 19% smaller[26] than 2020 due to cooler spring weather and late frosts with central regions including Marlborough impacted the most. Despite the smaller volumes, overall quality was high with Marlborough Sauvignon Blanc a highlight in 2021, with strong aromatics, generosity on the palate and excellent acid structure. The reduced Sauvignon Blanc production is expected to lead to some undersupply of the varietal as strong global demand continues, however TWE is comfortable with its supply position compared to expectations for demand in F22.

France

France has experienced a very challenging growing season so far with frost, hail-storms and a wet beginning to summer in some regions. Bordeaux and Provence are the most unaffected vineyards. Cabernet Sauvignon has been less impacted by the frost and had a good fruit set rate in the Bordeaux area. Harvest is forecast to occur at the end of September as per average. TWE vineyards are looking healthy and quality is forecast to be good, pending growing conditions through summer.

[26] Ciatti. Global Market Report July 2021

Definitions

Term	Definition
Cash conversion	Net operating cash flows before financing costs, tax and material items divided by EBITDAS
COO	Country of origin
CODB	Cost of doing business. Gross profit less EBITS. Excludes non-cash items as well as tax, the cost of the Group's capital structure and non-operating transactions as a measure of underlying operational costs
COGS	Cost of goods sold
Commercial wine	Wine that is sold at a retail shelf price below A$10 (or equivalent) per bottle
EPS	Earnings per share
EBITDAS	Earnings before interest, tax, depreciation, amortisation, material items and SGARA
EBITS	Earnings before interest, tax, material items and SGARA
EBITS margin	EBITS divided by Net sales revenue
Exchange rates	Average exchange rates used for profit and loss purposes in F21: AUD/USD 0.7472 (F20: AUD/USD 0.6711), AUD/GBP 0.5547 (F20: AUD/GBP 0.5326) Period end exchange rates used for balance sheet items in F21: AUD/USD 0.7511 (F20: AUD/USD 0.6874), AUD/GBP 0. 5426 (F20: AUD/ GBP 0.5584)
Luxury wine	Wine that is sold at a retail shelf price above A$30 (or equivalent) per bottle
Material items	Items of income or expense which have been determined as being sufficiently significant by their size, nature or incidence and are disclosed separately to assist in understanding the Group's financial performance
Net Debt to EBITDAS	Ratio of Net Debt to EBITDAS includes capitalised leases per *AASB 16 Leases*
Net Operating Cashflow	Operating cash flow before finance costs, tax and material items
NPAT	Net profit after tax
NSR	Net sales revenue
Premium wine	Wine that is sold at a retail shelf price between A$10 and A$30 (or equivalent) per bottle
ROCE	Return on Capital Employed. EBITS divided by Capital Employed (at constant currency). Capital Employed is the sum of average net assets (adjusted for SGARA) and average net debt
SGARA	Self-generating and re-generating assets. SGARA represents the difference between the fair value of harvested grapes (as determined under AASB 141 Agriculture) and the cost of harvest. The fair value gain or loss is excluded from Management EBITS so that earnings can be assessed based on the cost of harvested grapes, rather than their fair value. This approach results in a better reflection of the true nature of TWE's consumer branded and FMCG business and improved comparability with domestic and global peers.

Appendix 1: Accounting standards update – cloud computing arrangements

The International Financial Reporting Standards Interpretations Committee (IFRIC), under *IFRIC agenda decision Configuration or Customisation Costs in a Cloud Computing Arrangement (IAS38 Intangible Assets)* has clarified the accounting standard requirements with respect to costs associated with cloud computing, requiring that costs associated with the configuration and customization of cloud software be recorded immediately in the Statement of Comprehensive Income, rather than capitalized in the Statement of Financial Position and amortized over the useful life of the asset.

As a result, TWE has updated its accounting policy on a full retrospective basis, resulting in the cost of several major technology projects in previous financial years being expensed in those years, and the reversal of any previously recorded amortization expenses associated with these software systems.

Group Profit & loss impact

	F18			F19			F20		
$Am (unless otherwise stated)	**Reported**	**Adjustment**	**Restated**	**Reported**	**Adjustment**	**Restated**	**Reported**	**Adjustment**	**Restated**
Net sales revenue	2,429.0	-	2,429.0	2,831.6	-	2,831.6	2,649.5	-	2,649.5
NSR per case ($)	*70.3*	-	70.3	*79.8*	-	79.8	*81.9*	-	81.9
Other Revenue	67.4	-	67.4	51.4	-	51.4	28.7	-	28.7
Cost of goods sold	(1,425.8)	-	(1,425.8)	(1,642.5)	-	(1,642.5)	(1,588.9)	-	(1,588.9)
Cost of goods sold per case ($)	*41.2*	-	41.2	*46.3*	-	46.3	*49.1*	-	49.1
Gross profit	1,070.6	-	1,070.6	1,240.5	-	1,240.5	1,089.3	-	1,089.3
Gross profit margin (% of NSR)	*44.1%*	-	*44.1%*	*43.8%*	-	*43.8%*	*41.1%*	-	*41.1%*
Cost of doing business	(526.6)	(0.2)	(526.8)	(559.5)	(16.3)	(575.8)	(555.8)	(20.9)	(576.7)
Cost of doing business margin (% of NSR)	*21.8%*	0.0%	*21.8%*	*19.8%*	1%	*20.3%*	*21.0%*	1%	*21.8%*
EBITS	**544.0**	**(0.2)**	**543.8**	**681.0**	**(16.3)**	**664.7**	**533.5**	**(20.9)**	**512.6**
EBITS margin (%)	*22.4%*	0.0%	*22.4%*	*24.1%*	-0.6%	*23.5%*	*20.1%*	-0.8%	*19.3%*
SGARA	(15.0)	-	(15.0)	(19.7)	-	(19.7)	(41.3)	-	(41.3)
EBIT	**529.0**	**(0.2)**	**528.8**	**661.3**	**(16.3)**	**645.0**	**492.2**	**(20.9)**	**471.3**
Net finance costs	(63.9)	-	(63.9)	(85.7)	-	(85.7)	(85.9)	-	(85.9)
Tax expense	(119.7)	0.1	(119.6)	(167.1)	4.7	(162.4)	(119.3)	5.6	(113.7)
Net profit after tax (before material items)	**345.4**	**(0.1)**	**345.3**	**408.5**	**(11.6)**	**396.9**	**287.0**	**(15.3)**	**271.7**
Material items (after tax)	(4.6)	-	(4.6)	-	-	-	(26.2)	-	(26.2)
Non-controlling interests	(0.1)	-	(0.1)	-	-	-	-	-	-
Net profit after tax	**340.7**	**(0.1)**	**340.6**	**408.5**	**(11.6)**	**396.9**	**260.8**	**(15.3)**	**245.4**
Reported EPS (A¢)	46.9	-	46.9	56.9	(1.7)	55.2	36.2	(2.1)	34.1
Net profit after tax (before material items and SGARA)	**356.3**	**(0.1)**	**356.2**	**422.8**	**(11.6)**	**411.2**	**315.8**	**(15.3)**	**300.5**
EPS (before material items and SGARA) (A¢)	49.1	-	49.1	58.9	(1.7)	57.2	43.9	(2.1)	41.7
Average no. of shares (m)	725.7	-	725.7	718.4	-	718.4	719.9	-	719.9
Dividend (A¢)	32.0	-	32.0	38.0	-	38.0	28.0	-	28.0

Regional EBITS impact

	F18			F19			F20		
EBITS A$m	**Reported**	**Adjustment[2]**	**Restated**	**Reported**	**Adjustment[2]**	**Restated**	**Reported**	**Adjustment[2]**	**Restated**
ANZ	137.5	(0.1)	137.4	158.0	(4.8)	153.2	133.3	(3.2)	130.1
Asia	199.5	-	199.5	283.0	(1.9)	281.1	243.7	(2.2)	241.5
Americas	203.3	(0.1)	203.2	233.4	(5.3)	228.1	147.3	(10.4)	136.9
EMEA	56.3	-	56.3	63.3	(1.8)	61.5	51.7	(2.2)	49.5
Corporate	(52.6)	-	(52.6)	(56.7)	(2.5)	(59.2)	(42.5)	(2.9)	(45.4)
TWE EBITS	**544.0**	**(0.2)**	**543.8**	**681.0**	**(16.3)**	**664.7**	**533.5**	**(20.9)**	**512.6**

Appendix 2: Divisional performance

A$m (unless otherwise stated)

Penfolds	F21	F20	%
Volume	**2.2**	**2.5**	**(8.7)%**
NSR	**788.9**	**765.2**	**3.1 %**
ANZ	199.2	178.2	11.8 %
Asia	498.6	492.5	1.2 %
Americas	48.6	54.7	(11.2)%
EMEA	42.4	39.8	6.8 %
NSR per case	*352.6*	*312.2*	*12.9 %*
EBITS	**346.2**	**362.6**	**(4.5)%**
EBITS Margin	*43.9%*	*47.4%*	*(3.5)ppts*
Luxury and premium (%NSR)	*100%*	*100%*	-
Treasury Premium Brands	**F21**	**F20**	**%**
Volume	**17.2**	**17.6**	**(2.4)%**
NSR	**840.7**	**869.7**	**(3.3)%**
ANZ	402.9	414.2	(2.7)%
Asia	66.7	124.6	(46.5)%
Americas	-	-	-
EMEA	371.1	330.9	12.1 %
NSR per case	*48.9*	*49.4*	*(1.0)%*
EBITS	**62.7**	**78.4**	**(20.0)%**
EBITS Margin	*7.5%*	*9.0%*	*(1.6)ppts*
Luxury and premium (%NSR)	*53%*	*48%*	*5ppts*
Treasury Americas	**F21**	**F20**	**%**
Volume	**11.2**	**12.3**	**(8.8)%**
NSR	**940.0**	**1,014.6**	**(7.4)%**
ANZ	-	-	-
Asia	-	-	-
Americas	940.0	1,014.6	(7.4)%
EMEA	-	-	-
NSR per case	*83.8*	*82.6*	*1.6 %*
EBITS	**154.1**	**117.0**	**31.8 %**
EBITS Margin	*16.4%*	*11.5%*	*4.9ppts*
Luxury and premium (%NSR)	*79%*	*69%*	*10ppts*
Corporate	**F21**	**F20**	**%**
EBITS	**(52.7)**	**(45.4)**	**(16.1)%**

Appendix 3: Reconciliation of key performance measures

A$m (unless otherwise stated)

Metric	Management calculation	F21	F20
EBITS	Statutory net profit	250.0	245.4
	Income tax expense	107.7	103.3
	Net finance costs	73.5	85.9
	Material items	88.5	36.6
	SGARA (gain) / loss	(9.4)	41.3
	EBITS	**510.3**	**512.6**
EBITDAS	EBITS	510.3	512.6
	Depreciation & Amortisation	150.7	163.3
	EBITDAS	**661.0**	**675.9**
EPS	Statutory net profit	250.0	245.4
	Material items	88.5	36.6
	Tax on material items	(22.4)	(10.4)
	SGARA	(9.4)	41.3
	Tax on SGARA	3.0	(12.5)
	NPAT (before material items & SGARA)	**309.7**	**300.4**
	Weighted average number of shares (millions)	721.4	719.9
	EPS (cents)	**42.9**	**41.7**
ROCE	EBITS	510.3	512.6
	Net assets	3,591.2	3,596.1
	SGARA in inventory	(32.2)	(18.0)
	Net debt	1,057.7	1,434.2
	Capital employed – Current year	**4,616.7**	**5,012.3**
	Net assets (CFX)	3,477.7	3,652.6
	SGARA in inventory (CFX)	(22.9)	(12.5)
	Net debt (CFX)	1,343.0	1,400.8
	Capital employed – Prior year (CFX)	**4,797.8**	**5,040.9**
	Average capital employed	4,707.3	5,026.6
	ROCE	**10.8%**	**10.2%**

Disclaimer

This report contains certain forward looking statements, which may be identified by the use of terminology including but not limited to, 'intend', 'target', 'likely', 'could', 'aim', 'project', 'see', 'anticipate', 'estimate', 'plan', 'objective', 'believe', 'expect', 'may', 'should', 'will', 'would', 'continue' or similar words. Indicators of and guidance on future earnings and financial position are also forward-looking statements. These forward looking statements are based on the information available as at the date of this presentation and are not guarantees or predictions of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of TWE, and which may cause actual results to differ materially from those expressed or implied in such statements. Readers are cautioned against reliance on any forward-looking statements or guidance, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption arising in connection with COVID-19. Except as required by applicable regulations or by law, TWE does not undertake to publicly update or review any forward-looking statements, whether as a result of new information or future events