TREASURY
WINE ESTATES

15 August 2024

ASX ANNOUNCEMENT

TWE 2024 Annual Report

Treasury Wine Estates Ltd (ASX:TWE) is pleased to present its Annual Report for the year ended 30 June 2024, which includes the Company's full year financial statements and Appendix 4E.

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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Appendix 4E

Final Report in respect to Treasury Wine Estates Limited

For the year ended 30 June 2024

ABN 24 004 373 862

1. Results for announcement to the market

Key information	Year ended 30 June 2024 $M	Year ended 30 June 2023 $M	% Change increase/ (decrease)	Amount increase/ (decrease) $M
Revenue from ordinary activities	2,808.3	2,488.3	12.9%	320.0
Profit attributable to shareholders of Treasury Wine Estates Limited	98.9	254.5	(61.1)%	(155.6)
Net profit after tax before material items and SGARA	407.5	376.1	8.3%	31.4
Earnings before interest, tax, SGARA and material items	658.1	583.5	12.8%	74.6

Earnings per share	Year ended 30 June 2024 Cents per share	Year ended 30 June 2023 [1] Cents per share
Basic earnings per share	12.7	34.9
Basic earnings per share, adjusted to exclude SGARA, material items	52.3	51.6

Dividends (distributions)	Cents per share	Franking %
Final dividend – year ended 30 June 2024 (determined subsequent to balance date)[2]	19.0 cents	70%
Interim dividend – half year ended 31 December 2023	17.0 cents	70%
Final dividend – year ended 30 June 2023	17.0 cents	100%

1. Earnings per share for the year ended 30 June 2023 has been restated, in accordance with AASB 133, for the dilutive effects of the rights issue executed during the current financial year to ensure consistency period on period.
2. The record date for determining an entitlement to receipt of the final dividend is 29 August 2024 and the Company expects to pay the dividend on 1 October 2024. The Company's Dividend Reinvestment Plan will be in operation for the final dividend. The last date for receipt of election notices for participation in the Dividend Reinvestment Plan is 30 August 2024 at 5pm (AEST).

2. Final financial statements

Please refer to pages 100 through 155 of this report wherein the following are provided:

- Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024;
- Consolidated statement of financial position as at 30 June 2024;
- Consolidated statement of changes in equity for the year ended 30 June 2024;
- Consolidated statement of cash flows for the year ended 30 June 2024;
- Notes to the consolidated financial statements;
- Consolidated entity disclosure statement; and
- Directors' declaration.

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For the year ended 30 June 2024

ABN 24 004 373 862

3. Net tangible asset backing

Net tangible asset backing per ordinary share	Year ended 30 June 2024 $	Year ended 30 June 2023 $
Net tangible asset backing per ordinary share	2.99	3.40

4. Associates and Joint Ventures

Investments in Associates and Joint Ventures	Year ended 30 June 2024 $M	Year ended 30 June 2023 $M
Investments accounted for using the equity method	-	-

Investments in associates and joint venture partnerships are accounted for in the consolidated financial statements using the equity method of accounting.

5. Annual General Meeting

The Annual General Meeting of the Company will be held on 17 October 2024.

6. Further information

Additional Appendix 4E disclosure requirements can be found in the notes to the year-end financial report and the ASX announcement lodged with this Annual Report.

Further information can be obtained from:

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TREASURY WINE ESTATES

ANNUAL REPORT 2024

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Contents

Important information

This report 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.

This report 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:

- Changing conditions in TWE's key markets including China;
- Changes in economic conditions which impact consumer demand;
- Changes to TWE's production cost base, including impact of inflation;
- Global difficulties in logistics and supply chains;
- Risks in relation to the acquisition of DAOU;
- Foreign exchange rate impacts given the global nature of the business;
- Vintage variations; and
- The Company's continuing exposure to geopolitical risks.

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 report, subject to disclosure obligations under the applicable law and ASX listing rules.

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

References to 'TWE', 'Company', 'Group', 'we', 'us' and 'our' are to Treasury Wine Estates Limited and/or, except where the context otherwise requires, its subsidiaries. All currency referred to in the report is in Australian dollars, unless otherwise stated.

About Treasury Wine Estates

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70+
Countries

Consumers in more than 70 countries enjoy our iconic wines, available in major retailers, premium wine outlets, restaurants, bars, and online channels.

2,600
Team members

Our world class team has a presence across Australia, New Zealand, Asia, the Americas, the United Kingdom, Europe, the Middle East, and Africa.

TREASURY WINE ESTATES ANNUAL REPORT 2024

3
Brand portfolio divisions

Penfolds, Treasury Premium Brands, and Treasury Americas are supported by centralised business services, supply, and corporate functions.

10,000
Hectares

Our global multi-regional sourcing model is at the heart of our business. It includes vineyards and production assets in some of the world's best wine regions.

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Vines at Magill Estate vintage 2024 harvest, South Australia
Photo by Truc Pham, Analytical Services Manager

At a glance[1]

- F24 EBITS[2] increased 12.8% to $658.1 million; EBITS margin down 0.1 percentage points to 24.0%
- EPS (before material items and SGARA) up 1.4% to 52.3 cents per share
- Return on Capital Employed down 0.4ppts to 10.9%
- Final dividend of 19 cents per share (70% franked); bringing F24 annual dividend to 36 cents per share; a 16% increase in value on the prior period
- Full-year cash conversion up 21.4 percentage points to 82.0%
- NSR increased 13.1% to $2.7 billion, with $1 billion NSR delivered in both Penfolds and Treasury Americas for the first time.

1. Unless otherwise stated, all figures and percentage movements are stated on a reported currency basis and are subject to rounding.
2. Earnings before interest, tax, SGARA and material items

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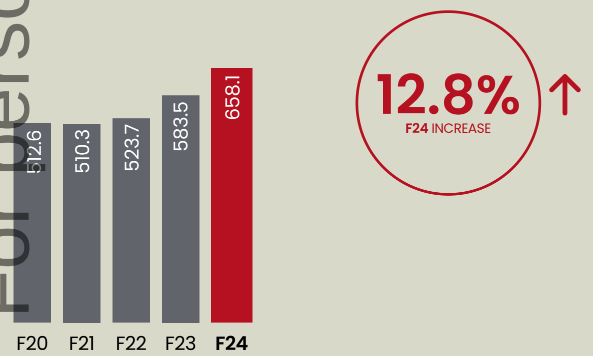
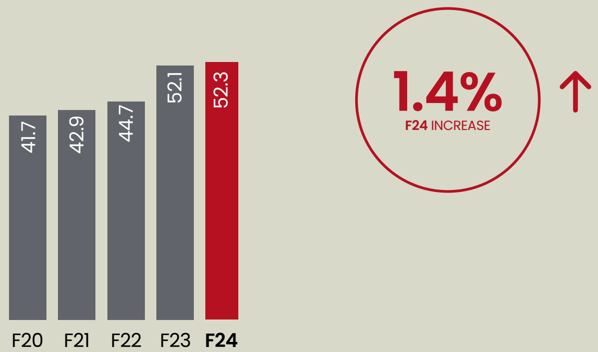
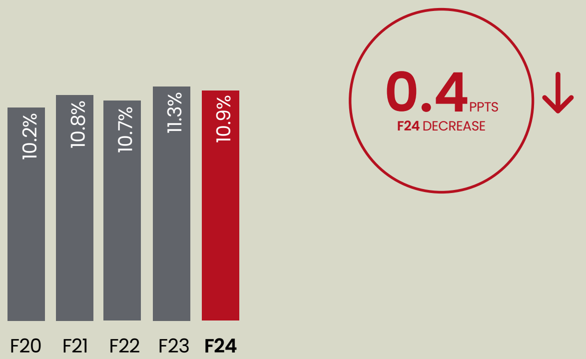
EBITS
(Earnings before interest, tax, material items and SGARA)
(A$ million)



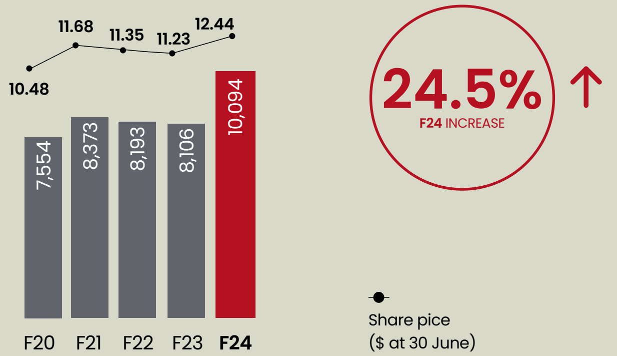
EPS (Before material items and SGARA)
(Earnings per share) (cents)



ROCE[3]
(Return on Capital Employed)(%)



Market capitalisation
(A$ million)



3. F24 capital employed has not been adjusted for the impact of the Treasury Premium Brands impairment

Chairman and Chief Executive Officer's report

Treasury Wine Estates (TWE) continued to deliver value for our shareholders through the strong execution of our strategy in the 2024 fiscal year, delivering organic earnings growth and continued premiumisation led by our portfolio of luxury brands. This was enabled by our relentless focus on connecting more consumers with our brands across more occasions, producing exceptional quality wines in the world's most revered winemaking regions and maintaining a disciplined focus on innovation and investment to underpin TWE's future growth.

John Mullen
Chairman

Tim Ford
Chief Executive Officer

Dear shareholders,

We are pleased to present the 2024 Annual Report for Treasury Wine Estates Limited (TWE).

This year TWE delivered NSR and EBITS growth before material items which reflects the excellent momentum we continue to build behind our luxury brand portfolios in Penfolds and Treasury Americas (TAM).

We made substantial progress in executing our strategy, delivering significant milestones across the organisation. Underpinning everything we do at TWE, is ensuring the health, safety and wellbeing of our teams and everyone who touches our business. Nothing is more important than this. Pleasingly, we achieved a 39% reduction in the three-year rolling Serious Safety Incident Frequency Rate as a result of the ongoing focus and continued success of TWE's Build Safe campaign.

Paving the way for TWE to provide expanded luxury consumer experiences was the completion of the transformative acquisition of DAOU on 12 December, 2023. This acquisition accelerates our luxury growth strategy and cements TWE's position as a global luxury wine leader. With the acquisition of DAOU, TAM is now home to an unrivalled portfolio of luxury brands which also includes Frank Family Vineyards, Stags' Leap, Beringer, and Beaulieu Vineyards.

This transaction unlocks a significant value creation opportunity, leveraging the organisational strengths of DAOU and TAM, while building on TWE's broader capabilities and scale across portfolio innovation, distribution, winemaking and a truly world class team. It has also enabled the creation of two focused teams within TAM – Luxury and Premium, with distinct portfolios and differentiated priorities and approaches to market.

In a year that celebrates Penfolds 180th anniversary, Penfolds continued on its journey of becoming a global luxury icon, building on its rich heritage and tradition of excellence. The success of Penfolds multi-country of origin strategy now sees consumers having access to an unrivalled portfolio of globally sourced luxury wines from the world's most revered wine regions including Australia, America, France and more recently China.

Following the successful launch of the new tier in the Penfolds range in 2022 "One by Penfolds", Penfolds launched its first China sourced luxury wine in August 2023, Chinese Winemaking Trial 521 (CWT 521). It was released globally in limited quantities from August 2023 to the acclaim of wine critics and collectors.

This milestone presents an incredible opportunity to drive further connection and engagement with consumers in China, and to become a global ambassador for Chinese luxury wine.

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TWE and Penfolds welcomed the positive news from the China Ministry of Commerce (MOFCOM) announcing the removal of tariffs from Australian wine into China, effective 29 March 2024. We are delighted to be bringing more of TWE's Australian luxury wines back to China, at a time when the luxury wine market presents significant long-term growth opportunities for Penfolds and the wine category overall. By leveraging our unique Penfolds brand status to drive ongoing demand our ambition is clear – to regain our leadership position as the number one luxury wine brand in China.

Penfolds continued its investment in France, unveiling a new Champagne Cuvée Brut in collaboration with Champagne Thiénot, set to launch from September 2024. Extending this strategic partnership symbolises the brand's ongoing commitment to winemaking in France, enabling us to play a more meaningful role in more consumer occasions.

While Treasury Premium Brands (TPB) earnings from several of our commercial brands declined, the priority brands in the division maintained their positive momentum, driven by 19 Crimes, Squealing Pig and Pepperjack. This year we launched our rebellious 19 Crimes brand in Japan, Vietnam, Laos, Cambodia and India. Our 19 Crimes partnership with Snoop Dogg continued with the expansion of the Cali by Snoop range, including Cali Blanc Sauvignon Blanc into the UK market. Squealing Pig was introduced to consumers in Canada.

TWE's winemaking excellence continues to be recognised far and wide with a list of accolades both extensive and prestigious, ensuring we have every reason to be proud of our achievements. For example, our Devil's Lair 2022 Margaret River Cabernet Sauvignon won 'Best Cabernet Sauvignon' and the coveted James Halliday trophy for 'Best Red Wine' of Show at the prestigious National Wine Show of Australia. Penfolds became one of the first All Star winners at the Golden Vines Awards, taking home Best Fine Wine Producer in the 'rest of the world' category for the third year in a row, while TAM earned three prestigious awards at the inaugural Wine Marketing Awards in California, a celebration of excellence and innovation in the US wine industry.

We continued to disrupt the market with new product launches and partnerships to stay ahead of industry trends and connect with more consumers. TWE continues to invest strongly in our award-winning no and low alcohol wine development program, catering for more consumers who enjoy wine, but who are part of the growing health and wellness trend informing moderation and reduced alcohol consumption. Our range of award-winning no and low alcohol wines, now includes Squealing Pig, Pepperjack and Matua, amongst others.

Overview of financial results

In F24, Group EBITS increased 12.8% to $658.1 million, driven by strong luxury portfolio growth in Penfolds and TAM, partly offset by lower premium and commercial portfolio shipments in TPB. NPAT pre SGARA and material items was up 8.3%.

Group Luxury NSR increased 29.6%, driven by outstanding execution and consumer demand for luxury wine, resulting in $1 billion NSR being achieved for both Penfolds and Treasury Americas for the first time. Key highlights from each division are detailed below.

- Penfolds reported a 15.5% increase in EBITS to $421.3 million and an EBITS margin of 42.1% (down 2.4ppts). The result was driven by strong top-line growth across all portfolio tiers and price points, with the weighting of Bin and Icon portfolio shipments to 2H24 completed as planned. Momentum accelerated across the portfolio in Asia, particularly in Hong Kong, Thailand and Taiwan, in addition to the commencement of Australian COO portfolio shipments to China in 4Q24 following the removal of tariffs. The decline in EBITS margin reflected the step-up of entry-level Australian COO tier shipments and higher onshore overhead costs in China through 4Q24. On a constant currency basis, NSR and EBITS increased 21.2% and 16.1% respectively.

- TAM reported a 13.1% increase in EBITS to $230.5 million and an EBITS margin of 23.0% (down 1.8ppts). The result was driven by the 2H24 contribution of DAOU and 14.1% NSR growth across TAM's other Luxury portfolio brands, supported by increased wine availability, particularly for Stags' Leap and Frank Family Vineyards. Across the remainder of TAM's brand portfolio, NSR declined 3.4%, driven by the 19 Crimes Modern tier, with the NSR for the 19 Crimes Classic tier stabilising to be modestly below the pcp. On an organic basis, NSR was broadly in line with the pcp while EBITS declined 9.2%, with lower EBITS margin driven by higher COGS from the wildfire impacted 2020 Californian vintage, with improvement in 2H24 upon transition to the sale of the 2021 vintage.

- TPB reported a 7.0% decline in EBITS to $76.0 million and an EBITS margin of 10.3% (down 0.1ppts). The result was driven by reduced Premium and Commercial portfolio shipments, reflecting soft consumption trends in the below $15 (or equivalent) price points in addition to underperformance relative to the category, particularly in Australia and the UK through 2H24. TPB's' priority Premium brands maintained their positive momentum, with NSR up 4.6%, driven by 19 Crimes, Squealing Pig and Pepperjack. On a constant currency basis, NSR and EBITS decreased 8.9% and 16.7% respectively.

The Group also recognised material items loss of $318.1 million after tax, primarily relating to a non-cash impairment charge of $290 million after tax in relation to the TPB division and costs associated with the DAOU acquisition. The TPB impairment related primarily to the write-down of goodwill and brands, predominantly Commercial brands including Wolf Blass (acquired 1996), Yellowglen (acquired 1996), Lindeman's (acquired 2005) and Blossom Hill (acquired 2015). Given ongoing market trends and the performance of our Commercial brands, coupled with the premiumisation of our TPB portfolio, TWE also announced the decision to divest these brands.

While NPAT pre SGARA and material items grew at 8.3%, statutory NPAT, inclusive of SGARA and material items, declined 61.1% to $98.9 million.

Balance sheet strength and dividend

TWE maintains financial metrics that are consistent with an investment grade credit profile. The Company's balance sheet continues to be strong, efficient, and flexible. Net debt/EBITDAS was 2.0x in F24, up from 1.9x in F23, and in line with TWE's 'through the cycle' target of up to 2.0x, despite completing the acquisition of DAOU during the year.

Total capex for the year was $190.1 million comprising maintenance and replacement capex of $100.7 million, and growth capex of $75.2 million including the purchase of a vineyard in Marlborough, New Zealand. Capex related to DAOU totalled $14.2 million. Ongoing expectation for maintenance and replacement capex is approximately $100 million per financial year with up to $50 million of growth investment expected in F25.

Cash conversion was 82.0%; excluding the change in non-current luxury and premium inventory, cash conversion was 94.6%. The re-commencement of shipments to China in 4Q24, where there was a high proportion of cash sales, contributed to the stronger than expected cash conversion outcome. In F25, TWE expects full year cash conversion to be approximately 80%, excluding the change in non-current Luxury and Premium inventory, reflecting underlying growth and a moderation in the proportion of sales to China that are on cash terms

Earnings per share decreased 63.6% to 12.7 cents per share adversely impacted by the impact of the impairment of goodwill and Commercial brands within the Treasury Premium Brands division. Earnings per share before Material Items and SGARA increased 1.4% to 52.3 cents per share. Return on capital employed was down 0.4ppt to 10.9%; excluding the impact from the acquisition of DAOU, ROCE was 12.0%.

For F24, TWE declared a final dividend of 19.0 cents per share, 70% franked; full year dividend of 36.0 cents per share, or 72% NPAT, a 16% increase in value on the pcp.

Sustainability

Since launching our refreshed sustainability strategy in 2021, we have taken bold steps towards sustainability leadership, right across the value chain, reflecting our ambition to cultivate a brighter future for everyone who touches our business and our products, and the communities in which we operate.

During the 2024 financial year we made strong progress on our commitments in key areas such as water stewardship, reducing carbon emissions, adapting to respond to climate change impacts and seeking efficiency with technological innovation in our vineyards and packaging centres. Highlights include:

- Reducing our greenhouse gas emissions around 66% since F21 (Scope 1 and 2)
- Continuing to switch to renewable electricity, ~80% of our total electricity usage[1] over F24 was from certified renewable sources. We have now completed 24 solar projects across our global footprint.
- Installing smart water meters in >90% of sites operating in high-risk catchments as well as completing a number of water preservation projects.
- Continuing to build a resilient business by developing a deep understanding of climate risk for our viticultural assets, whilst exploring adaptation options.
- Completing Primary Risk Assessments for 100% of contracted spend in our supply chain.
- Maintaining sustainability certification across 99.2% of our owned and leased winery and vineyard sites globally. Ongoing engagement with growers and bulk wine providers has led to a large proportion of global sourcing being sustainably certified.

TWE's sustainability achievements provide a strong foundation for future growth. Our commitment to cultivating a brighter future remains unwavering, driven by bold thinking and collaboration across all areas of our business. This journey is enriched by the active engagement and support of our external partners, including our dedicated network of growers and suppliers.

Our 2024 Sustainability Report will be available at tweglobal.com/sustainability later this year.

Board Succession

This year we were delighted to announce the appointment of Leslie Frank to TWE's Board as a non-executive director. As the former owner and founder of Frank Family Vineyards in California, Leslie's innovative and entrepreneurial approach to luxury brand building, coupled with her in-depth knowledge of the US wine industry and deep relationships within the Napa Valley, will be invaluable to TWE.

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We would also like to take the opportunity to acknowledge the enduring contribution made by Ed Chan to the TWE Board. Ed has advised of his intention to retire from the Board at our 2024 Annual General Meeting. Ed has been a non-executive director since 2012, shortly after the Company was floated, and has been an excellent director, having spent more than six years as a member of the Audit and Risk Committee.

Looking ahead

Turning to F25, TWE's business fundamentals today see a diversified and truly global organisation. Since launching our 2025 strategy four years ago, we have delivered a positive increase in key financial metrics of which we are extremely proud. Today we have a strong balance sheet that gives us the opportunity to invest in strategic initiatives, innovate our product offerings, and expand into new markets, ensuring sustainable growth and long-term success for TWE.

As we close out our 2025 strategy in a position of strength, TWE has launched a new 'Game Plan' to ensure we continue to reach new heights in F25 and beyond. Our 'Game Plan' includes a brand new Purpose – Boldly Cultivating, which symbolises our collective call to action and commitment to shaping the future of TWE and the global wine industry; refreshed vision which orients TWE towards our core Luxury business – to become the world's most desirable luxury wine company; and our strategy. This is all underpinned by our DNA – our cultural code which guides how we act and the experiences people have with TWE.

We will continue to strengthen and evolve our portfolio led operating model, putting consumers at the heart of everything we do and staying ahead of industry trends. As part of this evolution, TWE has assessed the future operating model for our global portfolio of Premium brands. In addition to the decision to divest the Commercial brand portfolio, TWE intends to establish a single Global Premium division, which will be the combination of TPB and the TAM Premium portfolio brands. TWE considers a standalone globally focussed Premium division to be the optimal way to drive value from its Premium portfolio of brands whilst continuing to leverage scale benefits across its global network. This model will provide the opportunity to unlock optionality for TWE to create additional future shareholder value through its global portfolio of Premium brands to support its luxury-led growth strategy. Transition to this new model is expected by 1 July 2025.

Today we are less reliant on a single market or channel than ever before, and we will continue to expand our distribution, demand and availability of our brands even further to drive our performance. We will continue to delight our consumers by producing the wine they demand by investing in our winemaking production capabilities to create the best opportunities to grow luxury grade fruit and to ensure world class supply chain capabilities for increased luxury wine production, while operating in the most sustainable way possible. Long term partnerships with our broad global network of suppliers, customers, and partners will remain a cornerstone of our business and key enabler of supporting our growth ambitions.

Our thanks

Our people are at the heart of TWE's success. We thank our teams across the globe for their deep commitment to delivering on our strategy and ambitious growth agenda throughout F24. Without their individual and collective contributions, we would not be in the position of strength we are today. We also acknowledge and thank our shareholders for your continued support and investment.

As we move into F25, TWE is strongly positioned to continue to deliver growth with an exciting stategic agenda and significant opportunities within each of our portfolios and markets.

Kind regards,

John Mullen
Chairman

Tim Ford
Chief Executive Officer

A message from our Chairman

It has been a privilege to step into the role of Chairman of TWE as the business enters an exciting new chapter. I would also like to acknowledge the tremendous leadership of Paul Rayner over his 12 year tenure as TWE's Chairman. Our accomplishments this year highlight the drive, creativity and talent of our teams and demonstrate the importance of decisive action to remain competitive amidst ongoing changes and shifting consumer and market dynamics. There is a huge amount of which the Board, the executive leadership and our employees around the world can be proud of today, but there is more to be done. We enter F25 well positioned for continued growth with strong momentum behind our strategic agenda.

Kind regards,

John Mullen

Kalimna Fortified Maturation facility, Barossa Valley
Photo by Dave Dahlenburg, Maintenance Planner

Operating and Financial Review

Treasury Wine Estates (TWE) is a luxury focused and consumer-led global wine company, listed on the Australian Securities Exchange (ASX). The Company is focused on delivering shareholder value through the production, marketing and selling of quality wine brands to consumers around the world.

The following Operating and Financial Review contains details of the significant changes in TWE's state of affairs that occurred during the year ended 30 June 2024.

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TWE's business activities

TWE is a vertically integrated wine business focused on portfolio premiumisation supported by innovation, brand building investment and global sales and marketing execution. TWE's brand portfolio is sold in more than 70 countries around the world, represented predominantly by the luxury and premium price segments, with commercial wine accounting for approximately 5% of TWE Group's gross profit. At the heart of the business is TWE's global, multi-regional sourcing model which includes world class vineyard and production assets in internationally acclaimed winemaking regions including Barossa Valley and Coonawarra in Australia, Napa Valley and Paso Robles in the United States, Marlborough in New Zealand, Bordeaux in France and Tuscany in Italy.

TWE employs a global team of approximately 2,600 people.

TWE's organisational structure and significant changes in the state of affairs

Operating model

TWE operates a global business model with three standalone divisions:

- Treasury Americas – representing sales of US sourced brands, as well as those imported from Australia, New Zealand and Italy, in the Americas.
- Penfolds – representing global sales of the Penfolds Luxury brand portfolio.
- Treasury Premium Brands – representing the sale of TWE's diverse range of predominantly Australia and New Zealand sourced brands globally.

During the year, TWE made the following management changes:

- Stuart Boxer, previously Chief Strategy and Corporate Development Officer, was appointed Chief Financial and Strategy Officer, effective 1 November 2023.
- Angus Lilley, previously Global Chief Revenue Growth Officer, was appointed Managing Director of Treasury Premium Brands, effective 1 July 2024.
- Sarah Turner was appointed Chief Legal & Corporate Affairs Officer, effective 1 August 2023.

DAOU Vineyards acquisition

In December 2023, TWE completed the acquisition of DAOU Vineyards, a highly acclaimed luxury wine business based in California's Paso Robles, for an upfront consideration of US$900 million. The acquisition established Treasury Americas as the leading luxury wine business in the United States, with an unparalleled portfolio of highly acclaimed and admired luxury brands.

DAOU Vineyards comprises an award-winning portfolio of brands focused across five product tiers and luxury price points from US$20-500 per bottle, the DAOU Mountain Tasting Room, four luxury vineyards, four wineries and 411 acres of vineyards in the Paso Robles region.

Removal of tariffs on Australian wine imports into China

On 29 March 2024, tariffs on Australian wine imports into China were reduced to nil, effective immediately. TWE promptly implemented a detailed plan to re-establish its Australian Country of Origin (COO) portfolio in China including re-establishing distribution for Penfolds entry-level Australian portfolio, reallocating a portion of Bin and Icon tiers to China, while maintaining the strong momentum of growth in other key global markets and expanding sales and marketing resources in China. TWE also expanded sourcing from the 2024 Australian vintage and finalised price increases for a number of key portfolio wines across the global customer base.

Future operating model for global Premium brand portfolio

Effective 1 July 2024, a new operating model was implemented within Treasury Americas to enable a separate sales and marketing focus between the Luxury and Premium portfolios. In addition, from 1 July 2024, TWE has integrated its Global Revenue Growth function into the Treasury Premium Brands division, with the intention of reducing overlap and simplifying operations.

Following these changes, TWE intends to evolve this model further to a single Global Premium division, which will be the combination of Treasury Premium Brands and the Treasury Americas Premium portfolio brands. TWE considers a standalone globally focussed Premium division to be the optimal way to drive value from its Premium portfolio of brands and support its luxury-led growth ambitions. Transition to this new model is expected by 1 July 2025.

TWE will also seek to divest its Commercial brand portfolio, which includes Wolf Blass, Lindeman's, Yellowglen and Blossom Hill. In F24 these brands represented approximately one third of the volume, 11% of the NSR and less than 5% of the gross profit for the Group.

Operating and Financial Review

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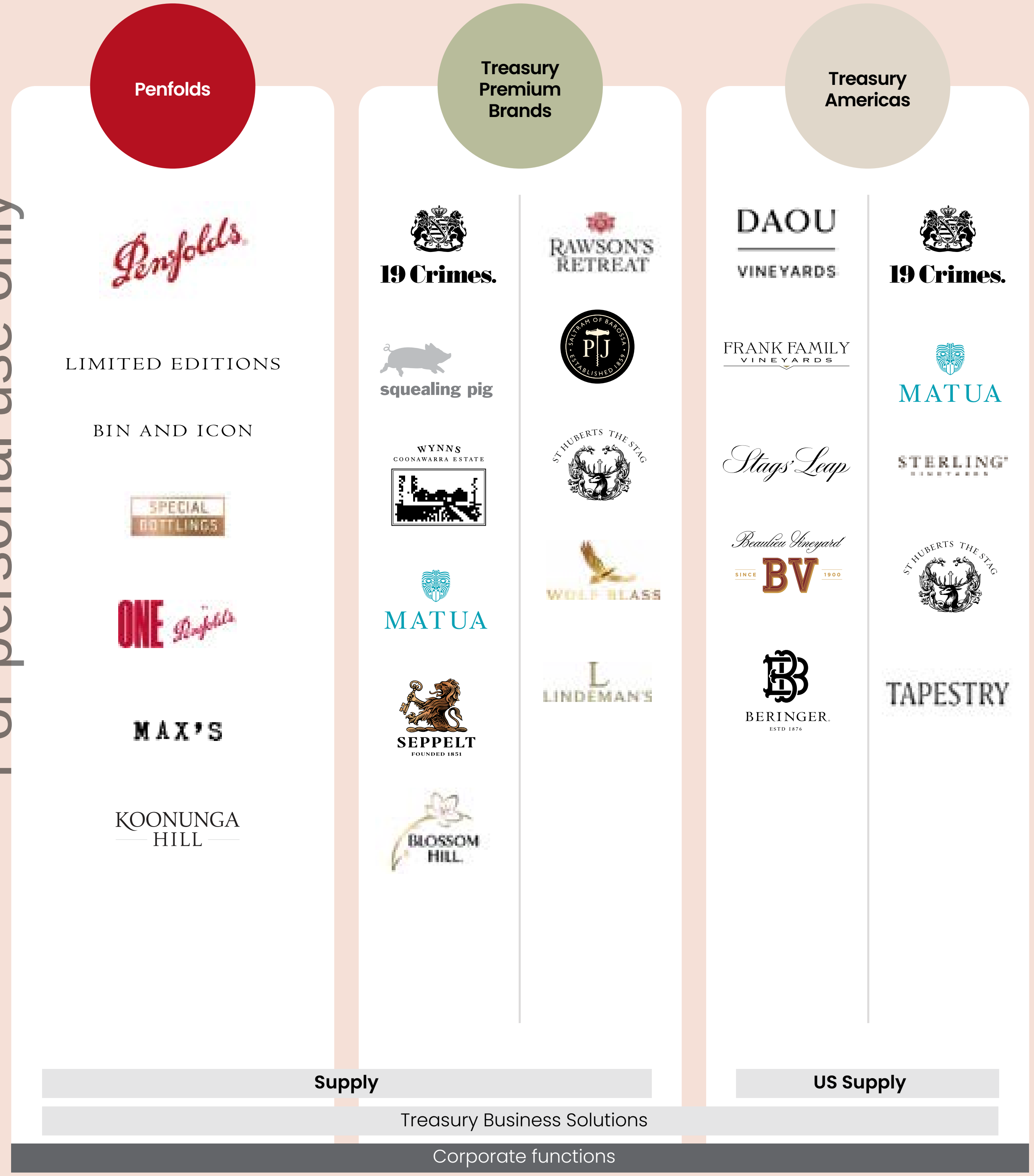
Our operating model



TREASURY WINE ESTATES ANNUAL REPORT 2024

TWE's business model

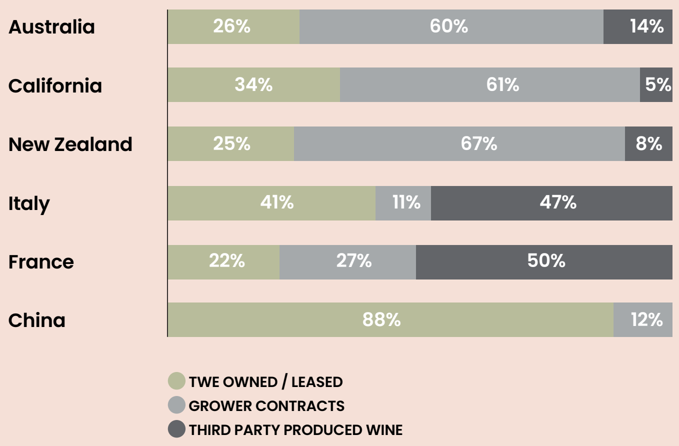
TWE is a vertically integrated wine business with three principal activities:

- Grape growing and sourcing.
- Wine production.
- Wine marketing, sales and distribution.

Grape growing and sourcing

TWE accesses grapes and bulk wine from a range of sources including Company-owned and leased vineyards, grower vineyards and the bulk wine market varying by region as shown in Figure 1.

Figure 1: TWE's regional sourcing model[2]



A global sourcing model diversified across geographic regions, varietals and price segments supports growth and limits exposure to vintage variation risk as well as grape and bulk wine pricing movements during periods of grape shortages and surpluses.

This diversification and flexibility also enables TWE to react to changes in consumer and customer preferences to support growth. TWE owns and leases 6,876 planted hectares of vineyards in Australia and New Zealand and is the custodian of sought-after viticultural assets in renowned winemaking regions, including Australia's Barossa Valley and Coonawarra, and Marlborough in New Zealand.

The Company also owns and leases 2,684 planted hectares in key viticultural regions in California, including Napa Valley, Paso Robles, Sonoma County, Lake County and Central Coast. In Europe, TWE owns and leases 191 planted hectares in France's Bordeaux region and 168 planted hectares in Tuscany, Italy.

TWE optimises its inventory holdings to support portfolio premiumisation and continues to focus on increasing access to luxury and premium fruit from multiple countries of origin through vineyard acquisitions, vineyard leasing, and supply contracts with third-party growers. For commercial grade wine, TWE prioritises sourcing from the bulk-wine market.

Wine production

TWE owns world-class wine production and packaging facilities.

- In Australia, TWE owns and operates six wineries and one packaging facility with wines primarily produced in South Australia and Victoria.
- In New Zealand, TWE owns one winery located in Marlborough.
- In the US, TWE has nine wineries and one packaging facility in California's North and Central Coast regions.
- In Europe, TWE owns one winery in Italy and three wineries in France.

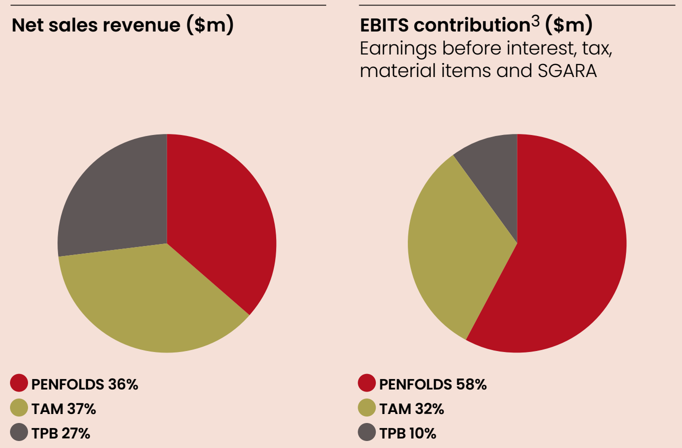
Marketing, selling and distribution of TWE wine

TWE generates revenues and profits from the production, marketing and sale of its portfolios of branded wine in more than 70 countries, with its route-to-market model reflecting regional insights and opportunities.

The Company has taken deliberate action to embed greater balance across its regional earnings mix and sourcing models. TWE's profitability continues to be increasingly driven by the luxury price segments.

Figure 2 shows the net sales revenue (NSR) and earnings before interest, tax, SGARA and material items (EBITS) contribution by division in F24.

Figure 2: TWE's business performance by division in F24



2. Regional sourcing is historical data for the northern hemisphere 2023 vintage and the southern hemisphere 2024 vintage.
3 Excludes corporate costs of $(69.7) million

Operating and Financial Review

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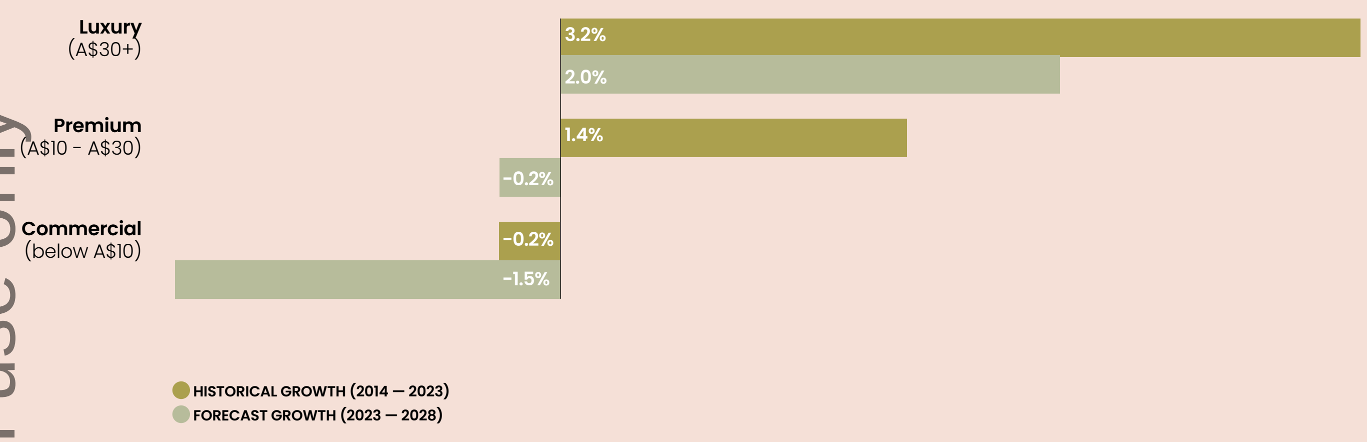
Global wine category trends[4]

In value terms, the global wine market has been flat in recent years, with growth in the Luxury and Premium segments offset by declining consumption of commercial wine. The category is expected to remain stable as premiumisation continues.

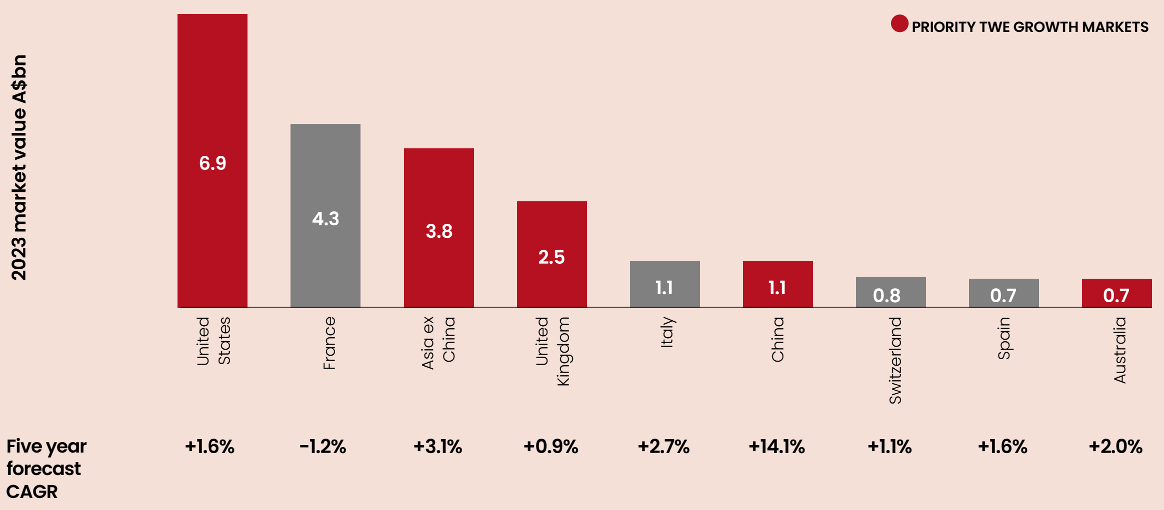
Figure 3: Global wine category growth trends by price point



These premiumisation trends underpin continuing growth in several of the largest luxury wine markets, including priority TWE growth markets – the United States, Asia, the United Kingdom, and Australia. Collectively, these priority markets represent 80% of the global Luxury wine market. Looking forward, strong growth trends are expected across many luxury wine markets led particularly by Asia and the United States.

TWE's portfolio structure and global presence provides a platform from which to harness these trends with 49% of revenue generated from the luxury price point (A$30+).

Figure 4: Largest luxury wine markets and forecast five-year compound annual growth rate (CAGR) in wine consumption



4. IWSR 2024, still wine only, A$ equivalent, portfolio price points classified as Luxury A$30+, Premium A$10-30, Commercial A$10 and below

TWE Ambition and Game Plan

TWE's strategic vision and strategic imperatives are set out below

Operating and Financial Review

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Strategic imperative	Progress against initiative in F24
World class talent	• Continued to put our DNA at the heart of everything we do, including further embedding and building capability in our Leadership Attributes (which are underpinned by and reinforce our DNA). • Continued to build capability and elevate the impact of our senior leaders through an immersive development program and global conference where leaders contributed to the creation of a company-wide Purpose and evolution of TWE's strategy. • Maintained our focus on building leadership at all levels and company-wide learning through our TWEforME Academy, as well as building our pipeline of diverse senior and executive leaders. • Consolidated our collective commitment to Inclusion, Equity & Diversity by continuing to develop leadership capability through inclusive mentoring, whilst increasing our focus in key workforce areas such as Supply, receiving provisional approval of our first Reconciliation Action Plan from Reconciliation Australia and implementing demographic data collection in multiple countries and regions as a step toward measuring and broadening our impact. • Continued commitment to the wellbeing of our people through increased investment in resources and support for both mental and physical wellbeing, ensuring that wellbeing is an intrinsic part of our culture and everyday ways of working. • Conducted our 4th all-employee Engagement and Inclusion Survey, seeing a 4% point increase in participation, off the back of an 8% increase in F23, indicating increasing levels of trust and confidence in the survey process. Positively, TWE saw improvement in key areas of EVP focus such as safety and wellbeing and in collaboration and connection.
Consumer focused premium brand portfolio	• The expansion of Penfolds multi-country of origin portfolio with the 2023 Penfolds Collection launch including the release of our first China sourced wine – CWT (China Wine Trial) 521. Penfolds also expanded its Champagne offering with the announcement of a new Champagne in collaboration with Champagne Thienot. • Treasury Americas became the US luxury wine market leader with the addition of DAOU, the fastest growing US Luxury brand, to its portfolio of iconic brands. The Luxury portfolio excluding DAOU grew NSR by 14% in F24 driven by Stags' Leap and Frank Family Vineyards. • Treasury Premium Brands Innovation behind core brands including Squealing Pig, Matua and Pepperjack continues to drive growth with expansion of the low-no alcohol portfolio and new packaging formats.
Multi regional and multi-channel selling models	• Penfolds deepened its relationship with La Place De Bordeaux, expanding the range distributed through this iconic network of negotiants include our Luxury and Icon wines. • Treasury Americas' strategic review of US distribution post the acquisition of DAOU has led to an enhanced partnership model, leveraging existing long-term relationships. • Treasury Premium Brands embedded a new sales model in Australia, specifically focused on the Independent channel.
Deep, long-term partnerships and networks	• Penfolds continued exploring new creative ideas through its ongoing partnership with NIGO, and collaborated with some of the world's best winemakers including Dourthe Bordeaux and Champagne Thienot. • Treasury Americas' partnership highlights included Stags' Leap winery becoming the official wine of Cirque Du Soleil, Frank Family Vineyards culminating its K9s for Warriors partnership and 19 Crimes debuting as the official wine of the UFC. • Treasury Premium Brands continued its highly successful Squealing Pig activations at the Australian Open and Sydney World Pride.
Sustainable and multi-regional sourcing and winemaking models	• Positive momentum in sustainability, with strong progress against our renewable electricity commitment, contributing to significant reductions in carbon emissions compared to F21. We continue to treasure water and have certified >16 million litres of wine in F24 giving consumers confidence their wine has been produced sustainably. • Completion of the Australian supply network transformation program, re-orienting TWE's supply chain to the production of premium and luxury wines in strategically attractive growing regions. • Acquisition and integration of a vineyard in New Zealand, materially increasing our Marlborough Sauvignon Blanc supply base. • Ongoing expansion of our multi-country of origin sourcing strategy with the release of our first Chinese sourced wine and the continued enhancement of our production footprint in France.

Harvesting Shiraz at Harnetts Vineyard, McLaren Vale
Photo by James Mitchell, Vineyard Operator

Future perspectives

In F25, TWE expects to deliver EBITS in the range of $780-810m, reflecting continued strong top-line luxury portfolio growth in Penfolds and Treasury Americas, with stability expected across the remainder of TWE's global brand portfolios. Execution will be focused on three clear priorities:

- Continuing Penfolds well-established strategy of growing distribution and availability, and consumer demand, in key global markets in addition to its focus on re-establishing the Australian COO portfolio and investment in China ahead of increased Bin and Icon portfolio availability from F26;
- Driving Treasury Americas market-leading US Luxury platform to continue DAOU's strong growth momentum and to deliver growth across the remainder of the Luxury portfolio brands, supported by a double digit increase in portfolio availability; and
- Improving the execution focus and operating performance of the Premium brand portfolios within Treasury Premium Brands and Treasury Americas ahead of transition to the Global Premium division in F26.

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Material business risks

Various risks could have a material impact on the achievement of TWE's strategies and future prospects. Below are those risks that TWE considers of greatest materiality to the business, and existing mitigations against these risks.

While our material risks have not fundamentally changed in FY24, we have made some changes to the risks included below to reflect how the Board and Executive see TWE's risk profile considering both financial and non-financial impacts.

Risk	Description	Mitigation
Changing consumer preferences and market trends	Unanticipated changes in consumer demand or preferences can have adverse effects on the business' ability to either capture growth opportunities or manage supply. These changes could be caused or accelerated by changes in economic outlook.	• Maintain a global diversified portfolio of brands and products biased to premium and luxury price points and at different stages of the brand lifecycle. • Strategic focus on premium and luxury price points, which have a longer ageing process before being released, providing greater flexibility to respond to changes in demand. • Brand portfolio and product strategy, including portfolio rationalisation, brand prioritisation and targeted investment in consumer marketing. • A dedicated consumer insights and innovation team tracking consumer trends and researching new opportunities. This includes investment in projects to provide significant additional data and insights that are being used to direct new product development, marketing strategies, and investment in growth segments. • Global business planning processes, including portfolio reviews and global volume alignment processes.
Changing geopolitical environment	Instability in the markets in which we operate could impact consumer demand, ability to trade, access to new markets, disruption to global supply chains, and other barriers to the movement of people and goods across international borders.	• Continue to grow our diversified portfolio of products and markets including Australia, the US, Europe, Middle East, and Asia. • Respect local laws wherever we operate based on a robust compliance framework. • Relationships and engagement (where relevant) with key government, industry advocacy and regulatory bodies. • Flexible supply chain practices. • Crisis management and business continuity plans. • Seek opportunities for strategic investment from, and into, key markets to capture new growth opportunities and enhance connection to key markets.
Changing regulatory environment	TWE operates in a regulated industry in many of the markets in which it makes and sells wine. Each of these markets has differing regulations that govern many aspects of TWE's operations. Changes to regulatory requirements are broad ranging and include taxes, health and labelling guidelines as well as emerging ESG reporting requirements. Remaining compliant with and abreast of additional regulations and changes to existing regulations requires diligent and ongoing monitoring by the business.	• Company-wide policies, standards and procedures. • TWE Compliance Framework. • Specialised and experienced resources and teams. • Executive Leadership Team oversight via the Risk, Compliance and Governance Committee and the ESG Reporting Governance Steering Committee. • TWE Risk and Assurance Framework, including targeted reviews by external and internal audit and other specialist providers. • Relationships and engagement (where relevant) with key government, industry advocacy and regulatory bodies to understand emerging issues and opportunities, and collaborate on advocacy strategies.

Risk	Description	Mitigation
Cyber and information security	Cyber and information security is essential to protect business-critical intellectual property and privacy of data. Continuing advances in technology, systems, and communication channels mean increasing amounts of private and confidential data are now stored electronically. This, together with increasing cyber-crime, heightens the need for robust data security measures.	• Defined Cyber-Security Strategy and Governance. • Information Security Policy, supporting framework and specialised resources. • IT Asset Management to manage our asset security throughout the lifecycle. • Program to monitor and detect cyber threats across the enterprise network. • Vulnerability management program to identify and remediate susceptible high-risk areas within the enterprise environment. • Restricted and segregated management of sensitive business/supplier/customer data. • Regular employee training and alerts to ensure secure handling of sensitive data. • Regular user access and general system penetration testing. • Crisis, business continuity and disaster recovery plans.
Health, safety and wellbeing	The health, safety and wellbeing of the TWE team and everyone who touches our business remains our highest priority. TWE recognises the importance of ensuring our people stay safe through closely managing existing risks and being proactive with emerging risks. Growing grapes, processing fruit and packing wine involves the use of complex equipment and processes that pose a risk and could result in death, serious injury, or illness leading to a financial, operational, and reputational impact.	• Formally defined Health, Safety and Wellbeing (HS&W) policy, standards, procedures and tools. • Induction/onboarding and ongoing training programs including: safe work procedures, permit to work system, safety leadership programs, and Destination Zero Harm Global Commitments. • Preventative repair and maintenance programs and facility and equipment inspection programs. • Employee surveys, safety conversations, and a HR complaints and whistleblower service capturing feedback from employees and external stakeholders on the effectiveness of our HS&W initiatives. • Monitoring of safety performance and incidents through regular reporting, investigations, and corrective action plans. • TWE Mental Health and Wellbeing Framework, including employee mental health surveys and membership of the Corporate Mental Health Alliance Australia (CMHAA), to improve understanding and support for mental health in the workplace. • Internal and external support mechanisms in place to create a healthy and safe workplace, including Employee Assistance Programs and a dedicated mental and emotional health care provider for our American-based team members.
Impacts of climate-related change on TWE's ability to grow, make and market quality wines	We are exposed to threats and opportunities posed by climate change. As the climate changes, our ability to grow, make and market quality wines will be affected by more frequent extreme weather events and changing temperatures that affect the yield and quality of vineyards. In addition, there are related transition risks arising from policy, legal, technology, market and reputation changes associated with the transition (or lack of) to a low-carbon economy.	• Climate-adaptive business strategy including a multi-region sourcing model to mitigate over-reliance on a single region. • Adjusting our footprint to focus on sites where the conditions and access to water are projected to be more favourable. • Investment in key production assets to manage for compressed vintages, which are becoming more frequent with climate change. • Climate and water risk assessments allow us to understand what opportunities and risks may emerge as a result of climate change and help to inform our adaptation responses. • Continued improvement of our data and weather forecasting abilities as well as investment in areas such as optimised irrigation and innovative agronomic practices. • Collaborating with a range of partners, such as universities, industry, and suppliers to improve our understanding of climate change and improve our practices. • Continuing to monitor and understand emerging trends, policy developments, and our emissions profile. • Developing business resilience through updated interventions or approaches to adapting to climate change.

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Risk	Description	Mitigation
Damage to corporate and/or brand reputation exacerbated by negative traditional and social media coverage	The strength of TWE's portfolio of brands is key to the success of the business. If we experience misrepresentation, negative or critical coverage in either traditional and/or social channels, this could result in damage to TWE's reputation and to its brands. This can be driven by a number of performance and operational factors, as well as commentary and opinions about issues and trends that have the potential to impact the business, its brands, and people.	• Code of Conduct, Responsible Marketing Guidelines, Responsible Consumption Program, Responsible Procurement Code, Environment Policy and Standard, Media Policy, Social Media Policy, and incident management procedures. • Active media monitoring and social listening including community engagement, product reviews, and public posting relating to TWE brands with ability to escalate core issues. • Global reputation research to understand current stakeholder perceptions and influence future engagement. • Brand and intellectual property protection strategies. • Crisis Management Plan, associated training and preparation.
Technology and business infrastructure supporting growth	The business relies on IT infrastructure, systems, and processes to support ongoing business growth. Where such infrastructure cannot efficiently support the changing needs of the business, there is risk of process inefficiency and/or error, which includes increased costs and processing times and/or damage to business reputation.	• Defined technology roadmap and strategy. • A global Enterprise Resource Planning System and reporting capability. • Global Shared Services Model including Continuous Improvement Framework. • IT policies and supporting procedures (security, change management, project management, etc.). • Documentation and mapping of key processes and controls across the business. • Annual key control self-assessment process. • Data and Analytics operating model to address data, reporting and analytical capability needs.
Misaligned supply and demand for region, variety, and grade of grapes	TWE's ability to balance supply to demand, can become challenged by several factors, including restricted availability of quality grapes or bulk wine, supply pricing, changes in consumer preference (drinks category, wine style, region or varietal) or other shifts in demand. The misalignment of supply can lead to shortage, which in turn can limit growth and revenue potential. Alternatively, misalignment can generate excess supply that needs resolution through supply sales, asset realignment and/or reallocation of wine. As a result, our ability to manage COGS, grow revenue and achieve EBITS targets could be affected, both in the year of harvest and in future periods.	• Multi-regional growing and sourcing. • Balanced grape intake between owned/leased vineyards and third-party suppliers. • Long-term vintage planning and ongoing demand planning processes, to align our supply with our insights from monitoring changing consumer preferences. • Strong grower relationships and defined service level agreements. • Long-term strategic partnerships to ensure the continued supply of large volumes of luxury bulk wine. • Ongoing customer/distributor relationship management to understand changes in demand and achieve alignment with our current and future portfolio of products. • Innovative agronomic practices to improve vineyard yield. • Global wine allocation process for constrained products to maximise value from products where supply is unable to meet demand.
Partner performance and market concentration	TWE's ability to achieve our objectives is directly tied to the performance of our partners (suppliers, distributors, and retailers). The sub-optimal performance of these partners and/or their market concentration and power, could have a significant impact on TWE's market share and/or margins.	• Multi-regional and diversified supplier, distributor and retailer base. • Responsible Procurement Code to define our broader requirements of our suppliers, including expectations related to human rights, safety, and the environment. • Defined and pre-approved terms of engagement. • Investment in strong and multi-faceted key partner relationships. • Joint business planning processes with customers and distributors to support and align their interests with our objectives. • Regular performance reviews.

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Risk	Description	Mitigation
Pricing and investment execution and cost management impacting margin outcomes	Where pricing and investment execution are not appropriately aligned to both the brand and product vision and strategy as well as external competitor activity, there is an increased risk to TWE of loss of market share, decreasing margins and/or brand damage. Developments in the global economy, including inflationary pressures and foreign exchange rate movements could add costs, impact TWE's earnings, and impact margins.	• Ongoing management of our key cost drivers, closely monitoring their potential for volatility and assessing their impact on TWE earnings. • Ongoing global pricing oversight and monitoring across markets, including key competitor pricing and promotional activity. • Brand portfolio and product strategy (including pricing guidelines). • Controls over product price changes. • Monthly brand/product sales performance reporting versus budget. • Active foreign exchange hedging strategy. • Continued focus on working capital, including cash conversion as a core financial metric.
Product quality defects, contamination, and counterfeit	If we sell wine with a significant product quality defect, or deliberate contamination, it could have significant impacts on TWE's corporate and brand reputation. It may also add costs through product write-offs or recalls. As the reputation and value of TWE's brands increase, so does the risk of counterfeit and copycat products, which may impact profitability and brand reputation.	• Product quality policies, procedures and controls, coordinated and overseen by the central TWE Technical Services team. • Product quality analytical control testing including chemical and microbiological testing, • Third-party audits and accreditation of processes and controls, including Hazard Analysis and Critical Control Points. • Supplier Service Level Agreements and specifications for Quality and Supplier Quality Assurance for packaging dry goods. • Crisis management and product withdrawal and/or recall plans. • Intellectual Property (IP) protection including trademark, copyright, design and other IP registrations. Strict IP agreements and guidelines, including for licensing arrangements, such as branded retail stores. • Collaborative alliances and working relationships with online marketplaces and other key industry bodies. • Regular internal counterfeit/copycat awareness training and clear customer communication policies regarding complaints/enquiries. • Brand Protection Program focusing on online and offline enforcement (including maximising criminal enforcements). • Copycat enforcement strategy focusing on high-priority targets. • IP due diligence - detailed checks on partners/retailers and ongoing supply chain audits.
Business disruption and/or catastrophic damage or loss	TWE's scope of operations exposes it to a number of business disruption risks, such as environmental catastrophes, natural and man-made hazards and incidents, or politically motivated violence. Significant business disruption could result in TWE sites or people being harmed or threatened, loss of key infrastructure, inability to trade, inventory shortages, excess or loss, customer dissatisfaction, or financial and reputational loss.	• Crisis, business continuity and disaster recovery plans, training and resources. • Dedicated Health and Safety team oversight, audit programs, and training. • Preventative repair and maintenance program. • Multi-regional sourcing and production capability. • Multi-regional sales diversification. • Comprehensive insurance program. • Global business planning processes. • Financial risk management refer to page 136.

Risk	Description	Mitigation

Turnover of key talent	TWE's ability to deliver on strategic targets is reliant on attracting and retaining experienced, skilled, and motivated talent in core functions such as winemaking, sales, and marketing.
	
	It also requires strong, resilient, and effective leaders as the business grows at pace.
	
	Inability to retain key talent can impact relationships with TWE's key partners, result in lost business knowledge, increase risk of employee burnout, and hamper the business's ability to deliver on key initiatives.
		• We aim to make TWE a great place to work with an inclusive culture and a compelling Employee Value Proposition. To differentiate TWE from competitors in the market, we provide a place where our people come together to spark innovation, fuel human connection, create belonging, and promote wellbeing through a range of employee programs such as:
		  ◦ a culture enabled by a connection to purpose and underpinned by our DNA values, which celebrates diversity, courage and collaboration.
		  ◦ a holistic approach to employee health, safety and wellbeing, including mental and physical health, resilience and flexibility.
		  ◦ market competitive remuneration, benefits, incentives and reward aligned to the achievement of TWE's financial and business goals and demonstration of the right behaviours.
		  ◦ investment in inclusion, equity and diversity initiatives that maximise inclusion and minimise bias.
		  ◦ talent review and succession planning processes
		  ◦ critical role reviews to identify any key person dependencies and to explore development and mobilisation opportunities for top talent.
		  ◦ strategically aligned and targeted learning and development programs.

Profit report

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Announcement headlines[1]

- Statutory NPAT of $98.9 million was down 61.1%, reflecting post-tax material items loss of $318.1 million relating primarily to non-cash impairment of goodwill and commercial brands within Treasury Premium Brands; NPAT, pre material items and SGARA, up 8.3%.
- EBITS increased 12.8% to $658.1 million driven by strong luxury portfolio growth in Penfolds and Treasury Americas, including the 2H24 contribution from the acquisition of DAOU.
- Excluding the contribution from DAOU, EBITS increased 6.4%, in line with the guidance for mid-high single digit organic EBITS growth in F24.
- Group Luxury NSR increased 29.6% (14.5% organic growth), driven by outstanding execution and with consumer demand for luxury wine remaining strong in TWE's key markets.
- Re-establishment of Penfolds Australian COO portfolio in China is on track, with strong shipment demand from customers and initial depletions in line with expectations.
- DAOU delivered 2H24 EBITS of US$24.7 million, in line with guidance, with business integration underway and on track to deliver synergies of US$20 million+ by the end of F26.
- Following completion of the premium brands operating model review, TWE intends to create a Global Premium division by 1 July 2025 through the combination of Treasury Premium Brands and Treasury Americas Premium portfolio brands, and seek to divest its Commercial brand portfolio.
- TWE expects F25 EBITS to be delivered in the range of $780-810 million, reflecting continued strong luxury portfolio growth in Penfolds and Treasury Americas, with stability expected across the remainder of TWE's global brand portfolio[2].

Group financial summary

A$m (unless otherwise stated)	F24	% Change reported	% Change constant currency	% Change organic[3]
Net Sales Revenue (NSR)	2,739.8	13.1%	10.7%	4.4%
NSR per case (A$)	125.2	14.2%	11.8%	8.1%
Earnings Before Interest, Tax, SGARA and Material items (EBITS)	658.1	12.8%	9.9%	3.6%
EBITS Margin	24.0%	(0.1)ppts	(0.2)ppts	(0.2)ppts
Net Profit After Tax	98.9	(61.1)%	(63.3)%	-
Earnings Per Share (A$ cents)	12.7	(63.6)%	(65.6)%	-
Net Profit After Tax before Material Items and SGARA	407.5	8.3%	4.2%	-
Earnings Per Share before Material Items and SGARA[4] (A$ cents)	52.3	1.4%	(2.5)%	-

- NSR increased 13.1% to $2,739.8 million with strong luxury portfolio growth in Penfolds and Treasury Americas, which included the contribution from DAOU in 2H24, partly offset by lower sales in Treasury Premium Brands.
- NSR per case increased 14.2% driven by the ongoing premiumisation of TWE's portfolio towards luxury wine, which now represents approximately 50% of Group NSR.
- Post-tax net material items loss of $318.1 million, relating to Treasury Premium Brands' impairment in addition to transaction and integration costs associated with the acquisition of DAOU.
- NPAT pre-Material items and SGARA grew 8.3%, with EPS growth of 1.4% reflecting the single-half of earnings contribution for DAOU and the impact of increased shares on issue following the $825 million equity raising to part fund the acquisition.
- ROCE[5] 10.9%, down 0.4ppt versus the pcp; excluding the impact from the acquisition of DAOU, ROCE was 12.0%.
- Cash conversion 82.0%; excluding the change in non-current luxury and premium inventory, cash conversion was 94.6%.
- Net Debt to EBITDAS 2.0x[6] , inclusive of twelve months EBITDAS contribution for DAOU, up from 1.9x in the pcp, with further deleveraging expected in F25.
- Final dividend of 19.0 cents per share declared, 70% franked; full year dividend of 36.0 cents per share, or 72% NPAT, a 16% increase in value on the pcp.

1 Unless otherwise stated, all figures and percentage movements within commentary are stated on a reported currency basis versus the prior corresponding period, are pre-SGARA and material items and are subject to rounding. NPAT and EPS exclude earnings attributable to non-controlling interests.
2 F25 expectations exclude any impact from potential divestment of the commercial brand portfolio
3 On a constant currency basis, excluding the contribution of DAOU in Treasury Americas.
4 Earnings per share for the year ended 30 June 2023 has been restated, in accordance with AASB 133, for the dilutive effects of the rights issue executed during the current financial year to ensure consistency period on period. Refer to Note 7 of the financial statements within the 2024 Annual Report for details
5 Capital employed has not been adjusted for the impact of the Treasury Premium Brands impairment
6 Net debt to EBITDAS includes capitalised leases in accordance with AASB 16 Leases. F24 includes last twelve months EBITDAS of DAOU

Performance overview

A$m	F24	% Change reported	% Change constant currency	% Change organic[1]
NSR				
Penfolds	1,000.5	22.1%	21.2%	–
Treasury Americas	1,002.3	22.1%	19.4%	0.6%
Treasury Premium Brands	737.0	(5.8)%	(8.9)%	–
Group	**2,739.8**	**13.1%**	**10.7%**	**4.4%**
Luxury (%NSR)	48.8	*6.2ppts*	*6.6ppts*	*3.5ppts*
Premium (%NSR)	38.5	*(4.0)ppts*	*(4.0)ppts*	*(1.7)ppts*
Commercial (%NSR)	12.7	*(2.3)ppts*	*(2.6)ppts*	*(1.9)ppts*
EBITS				
Penfolds	421.3	15.5%	16.1%	–
Treasury Americas	230.5	13.1%	8.4%	(9.2)%
Treasury Premium Brands	76.0	(7.0)%	(16.7)%	–
Corporate	(69.7)	(4.4)%	(3.3)%	–
Group	**658.1**	**12.8%**	**9.9%**	**3.6%**
EBITS Margin (%)	*24.0*	*(0.1)ppts*	*(0.2)ppts*	*(0.2)ppts*

- Penfolds reported a 15.5% increase in EBITS to $421.3 million and an EBITS margin of 42.1% (down 2.4ppts). The result was driven by strong top-line growth across all portfolio tiers and price points, with the weighting of Bin and Icon portfolio shipments to 2H24 completed as planned. Momentum accelerated across the portfolio in Asia, particularly in Hong Kong, Thailand and Taiwan, in addition to the commencement of Australian COO portfolio shipments to China in 4Q24 following the removal of tariffs. The decline in EBITS margin reflected the step-up of entry-level Australian COO tier shipments and higher onshore overhead costs in China through 4Q24. On a constant currency basis, NSR and EBITS increased 21.2% and 16.1% respectively.
- Treasury Americas reported a 13.1% increase in EBITS to $230.5 million and an EBITS margin of 23.0% (down 1.8ppts). The result was driven by the 2H24 contribution of DAOU and 14.1% NSR growth across Treasury Americas' other luxury portfolio brands, supported by increased wine availability, particularly for Stags' Leap and Frank Family Vineyards. Across the remainder of Treasury Americas' brand portfolio, NSR declined 3.4%, driven by the 19 Crimes Modern tier, with the NSR for the 19 Crimes Classic tier stabilising to be modestly below the pcp. On an organic[1] basis, NSR was broadly in line with the pcp while EBITS declined 9.2%, with lower EBITS margin driven by higher COGS from the wildfire impacted 2020 Californian vintage, with improvement in 2H24 upon transition to the sale of the 2021 vintage.
- Treasury Premium Brands reported a 7.0% decline in EBITS to $76.0 million and an EBITS margin of 10.3% (down 0.1ppts). The result was driven by reduced premium and commercial portfolio shipments, reflecting soft consumption trends in the below $15 (or equivalent) price points in addition to underperformance relative to the category, particularly in Australia and the UK through 2H24. Treasury Premium Brands' priority premium brands maintained their positive momentum, with NSR up 4.6%, driven by 19 Crimes, Squealing Pig and Pepperjack. On a constant currency basis, NSR and EBITS decreased 8.9% and 16.7% respectively.
- Corporate costs increased 4.4%, reflecting general inflationary impacts.

Treasury Premium Brands impairment

Following the latest review of the carrying value of the Group's assets as part of its annual impairment testing process, TWE has recognised a non-cash impairment charge of $354 million ($290 million post-tax) in its financial result for the year ended 30 June 2024 in relation to the Treasury Premium Brands division. This impairment has been treated as a material item and relates primarily to the write-down of goodwill ($115 million) and brands ($229 million), predominantly commercial brands, including Wolf Blass (acquired 1996), Yellowglen (acquired 1996), Lindeman's (acquired 2005), and Blossom Hill (acquired 2015). In F24, the contribution of these commercial brands represented less than 5% of TWE Group's gross profit.

The changes to the carrying value assessment reflect moderated top-line expectations as a result of challenging market conditions for commercial wine, across all markets, and the underperformance of TPB's brands relative to the category at these commercial price points. These adverse trends have offset the benefits from TPB's strategic focus to premiumise its portfolio, where it has delivered a three-year NSR CAGR of 10% for its priority premium brands, which include Wynns, Pepperjack, Squealing Pig and 19 Crimes.

1 On a constant currency basis, excluding the contribution of DAOU in Treasury Americas.

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Petersen Ranch, Napa County
Photo by Nicole Graham, Assistant Winemaker

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Penfolds

About Penfolds

Since the very beginning, Penfolds commitment to quality has been underpinned by the art of blending and attesting that all wines are connected through a consistent and recognisable Penfolds 'House Style'; the ultimate expression of a time-honoured and distinctive tradition of finding the best grapes from the best regions. Today, this philosophy extends beyond Australia, to the bountiful soils of America, France and China.

Penfolds continues to Venture Beyond in 2024 and will celebrate 180 years of excellence; achieved through an alchemy of art and science. Through the passing of time, wine innovations have become great traditions and old and new generations continue to mark moments and create their own stories, with a glass of Penfolds in hand. And so, almost two centuries since its inception, Penfolds continues to write new chapters and proudly remains one of the world's most revered winemakers - now and for 'evermore.'

Penfolds Chinese Winemaking Trial (CWT) 521

In July 2023, Treasury Wine Estates cemented its long-term commitment to China's wine industry with the launch of its first China-sourced wine in the prestigious 2023 Penfolds Collection. The Chinese Winemaking Trial (CWT) 521 is a blend of cabernet sauvignon and marselan sourced from Shangri-la in the south-western province of Yunnan, and Ningxia, in the country's central-north. It was released globally in limited quantities from 3 August 2023 to the acclaim of wine critics and collectors. The wine was unveiled by Penfolds Chief Winemaker Peter Gago at a press conference in Shangri-La, attended by local Diqing Government officials and representatives of the China Alcoholic Drinks Association (CADA).

TWE established a strategic co-operation agreement with the country's peak alcohol body CADA, in 2022, which sees the two organisations working together to advance China's wine industry on the global stage through technical knowledge and expertise exchange, as well as wine education and culture programs.

Penfolds continued investment in France

In February 2024, Penfolds unveiled a new Champagne Cuvée Brut in collaboration with Champagne Thiénot, set to launch from September 2024. This expansion in the Penfolds Champagne portfolio symbolises the brand's ongoing commitment to winemaking in France and marks the beginning of a new chapter in the Penfolds France story.

Penfolds connection to France dates back more than seven decades, with the experimental 1951 Grange inspired by the ideas and techniques winemaker Max Schubert learnt on a serendipitous visit to Bordeaux in 1950. The new Champagne Cuvée Brut was overseen by the watchful eyes of Penfolds Chief Winemaker Peter Gago and Champagne Thiénot Chef de Cave Nicolas Uriel. The announcement of Penfolds new Champagne Cuvée Brut was shared in tandem with the brand's expanding partnership and fine wine offer within the Bordeaux open marketplace, La Place de Bordeaux, enabling greater distribution of Penfolds Icon and Luxury wines across Europe, the Middle East, and Africa.

Penfolds

Penfolds x NIGO partnership

Penfolds announced its first creative partnership with globally acclaimed designer and artist NIGO in July 2023. The multi-year collaboration began with the global launch of One by Penfolds in 2023, where NIGO designed four animal motifs for each wine label representing the four winemaking regions where One by Penfolds wines are sourced – Australia, France, China, and America. Apparel items for the collaboration sold out globally in under 90 minutes. In 2024, Penfolds launched its Grange by NIGO release and celebrated the first-ever design takeover of Penfolds Grange, marking a momentous milestone for Penfolds in its 180th anniversary year.

Collaborating with NIGO was inspired by Penfolds history of pushing boundaries in winemaking and the exploration of new creative ideas. As the Creative Director of Human Made and Artistic Director of KENZO, NIGO is known for his innovative and future-thinking vision. Future projects between Penfolds and NIGO will be announced in F25.

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For over 30 years, NIGO has been at the forefront of culture, establishing himself as a global icon and cultural pioneer. These values align with Penfolds philosophies, which have been anchored by curiosity, innovation, and a pioneering spirit for 180 years.

Penfolds Evermore Inaugural Grant Program Launch

Solidifying its commitment and support for the regions where it operates and makes wine, Penfolds announced the establishment of its community and sustainability initiative, Penfolds Evermore, in July 2023. As part of the initiative, Penfolds has pledged one million AUD to fund the Evermore Grant Program, designed to support community and sustainability programs in Australia, the United States, France, and China over the next five years. The pilot round launched in Australia in January 2024, with a focus on the areas of 'food', 'winemaking/viticulture' and 'creative arts' (including fashion, art and music).

Four grants were awarded in June to successful recipients, whose projects venture beyond in their chosen field. Complementing TWE 's broader sustainability strategy, Evermore is Penfolds first brand-level coordinated community and sustainability platform and captures its aspirations as a global winemaker, employer, and leader, to leave a positive mark on the places, communities, and people it engages with. The Penfolds Evermore Grant Program received the award for Social Excellence: Investing in Community and Innovation at the 2024 Just Drinks Excellence Awards.

Divisional performance overview

Penfolds[1]

	Reported currency			Constant currency	
A$m (unless otherwise stated)	F24	F23	%	F23	%
Volume (m 9Le)	**3.0**	**2.3**	**30.4%**	**2.3**	**30.4%**
NSR (A$m)	**1,000.5**	**819.7**	**22.1%**	**825.3**	**21.2%**
ANZ	255.8	235.9	8.5%	235.9	8.4%
Asia	629.6	467.4	34.7%	466.8	34.9%
Americas	48.2	51.5	(6.4)%	52.6	(8.3)%
EMEA	66.9	65.0	2.9%	70.0	(4.4)%
NSR per case (A$)	*331.7*	*354.4*	*(6.4)%*	*356.8*	*(7.0)%*
EBITS (A$m)	**421.3**	**364.7**	**15.5%**	**363.0**	**16.1%**
EBITS margin (%)	*42.1%*	*44.5%*	*(2.4)ppts*	*44.0%*	*(1.9)ppts*

Financial performance

Volume and **NSR** increased 30.4% and 21.2% respectively, driven by:

- Strong top-line growth across all portfolio tiers and price points, with the weighting of Bin and Icon portfolio shipments to 2H24 completed as planned
- Continued strong momentum across the portfolio in Asia, particularly in Hong Kong, Thailand and Taiwan, in addition to the commencement of Australian COO portfolio shipments to China in 4Q24
- Continued gains in Australia, with strong performance in key retail accounts and the DTC channel
- Modest declines in EMEA and the Americas, which reflect the re-allocation of a portion of the Bin and Icon portfolio to support re-building distribution in China

NSR per case[2] decreased 7.0% driven by portfolio mix from strong growth in the entry level luxury tiers.

COGS per case increased 4.4% reflecting the sell-through of the higher cost 2020 and 2021 Australian vintages in F24 and one-off costs related to re-work of product labelling for the China market.

CODB[2] increased 9.2%, driven by investment through 4Q24 to support the re-establishment of Penfolds Australian COO portfolio in China.

EBITS increased 16.1% to $421.3 million and EBITS margin reduced 1.9ppts to 42.1%, with the decline in EBITS margin reflecting the re-establishment of entry-level Australian COO luxury tiers and higher onshore overhead costs in China through 4Q24.

Division insights

Key F24 execution highlights include:

- Commencing re-establishment of the Australian COO portfolio in China, with strong shipment demand from customers and initial depletions in line with expectations
- Finalisation of price increases for a number of key portfolio wines across the global customer base, which were effective from 1 July 2024. On a weighted average basis, Penfolds Bin and Icon portfolio price has increased by approximately 6%
- Record luxury wine intake from the 2024 Australian vintage, which will support a significant step-up in availability for the Bin and Icon portfolio from 2H26

Penfolds expects to deliver low double-digit EBITS growth in F25, reflecting:

- Top-line growth for the Bin and Icon portfolio, including the benefit of price increases
- Partly offset by a step-up in brand building investment and overheads in China of approximately $20m ahead of increased Bin and Icon portfolio availability from F26
- EBITS margin is expected to improve to within the range of 43-45%

In F26 and F27, Penfolds will target:

- Annual EBITS growth of approximately 15% across both years, driven by the significant increase in availability for the Bin and Icon portfolio from the record 2024 Australian vintage intake
- EBITS margin delivery in line with its long-term target of 45%
- TWE notes that the delivery of these long-term targets remains subject to a range of variable conditions: page 3 of this document provides important information regarding the risk factors relating to these targets

1 Unless otherwise stated, all figures and percentage movements from prior periods are pre-material items on a constant currency basis versus the prior corresponding period and are subject to rounding
2 COGS and CODB exclude duties and taxes received from customers and paid to Chinese tax authorities under TWE's China domestic business model, which are equal and offsetting

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Treasury Premium Brands

About Treasury Premium Brands

A premium wine business with a portfolio of outstanding wine brands, global viticultural assets and world-class production facilities, Treasury Premium Brands caters to a diverse range of consumer needs and occasions. With a broad range of brands, the division is focused on premium portfolio expansion and consumer-led innovation.

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Continued global expansion of 19 Crimes and Squealing Pig

In line with our strategy to bring our awarded premium wine brands to more people around the world, Squealing Pig was introduced to our consumers in Canada. No matter where this little pig goes, the Squealing Pig ethos remains the same: to make wines that are approachable and flavour-packed and to have more fun than anyone else doing it. In partnership with Mark Anthony Group, Canada's leading importer and distributor of exceptional wine, spirits and beer, Squealing Pig now has listings and points of distribution across the country.

We launched our rebellious wine brand 19 Crimes in Japan, Indochina and India. To commemorate the release in Japan, a '19 Crimes Night' was held at the world-famous Club Camelot in Shibuya, Tokyo, where guests were introduced to 19 Crimes Cali Red, Cali Rosé and Martha's Chard in true 19 Crimes style.

With a broad range of brands, the division is focused on premium portfolio expansion and consumer-led innovation.

Culture led partnerships and activations

Our 19 Crimes Snoop partnership continued with the expansion of the Cali by Snoop range, introducing Cali Blanc Sauvignon Blanc into the UK market. Consumers can also 'Ask the Doggfather' questions via ground-breaking augmented reality technology by following a QR code on the back label where the D.O.G.G. will respond to their questions. We know our consumers are always looking for something new and different, so Halloween 2023 we created a wine to give them an experience like no other with our 19 Crimes Halloween campaign, glow in the dark labels and the world's first coffin aged wine.

Squealing Pig continued to make waves throughout Summer in our strongest Summer of Love campaign yet. We continued to champion the colourful spectrums of love as the official wine of Sydney Gay and Lesbian Mardi Gras and Brighton and Hove Pride in the UK, as well as our continued sponsorship of the Australian Pickleball League (APL).

Treasury Premium Brands

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Premiumisation with Wynns

Wynns Coonawarra Estate unveiled its 2024 Luxury Collection, capturing the essence of two exceptional years from the Estate's prized vineyards in the Terra Rossa soils in the heart of Coonawarra. An incredible 99 points was received for the 2021 John Riddoch Cabernet Sauvignon by renowned Australian wine writer and critic, Huon Hooke.

Extending the celebrations, industry icon and Wynns Senior Winemaker, Sue Hodder, received two of the highest honours in wine; being recognised as a 'Patron of Coonawarra' by The Coonawarra Vignerons, and inducted into the James Halliday Hall Of Fame.

Sue Hodder and Ben Harris with Wynns Luxury 2024 release
Photo by Truc Pham, Analytical Services Manager

New Italian lifestyle brand Belorante

Inspired by the effortless style, attitude and vivaciousness of the Italian way, Belorante launched across Asda and Morrisons stores in the UK – bringing a moment of colour and joy, Italian style.

With Italian wine being the second largest category in the UK grocery market, yet still very much led by tradition, we saw an opportunity to reinvent Italian wine through a bold, modern approach that embodies the true spirit of the Italian lifestyle.

Tapping into the 'better for you' consumer trend

With a growing number of consumers looking to moderate their alcohol intake, we grew our 'better for you' portfolio with the launch of our Squealing Pig Zero and Mid-Strength range as well as expansion of our Pepperjack and 19 Crimes lower in alcohol and mid-strength offerings globally.

Expanding alternative formats

To give consumers more options and open up more wine occasions, we launched several alternative packaging formats including Wolf Blass wine in aluminum bottles for the Japan market, Squealing Pig 250ml cans, with one standard drink per can, and continued expansion and growth of Squealing Pig Bagnums 1.5L pouch in ANZ.

Divisional performance overview
Treasury Premium Brands[1]

	Reported currency			Constant currency	
A$m (unless otherwise stated)	F24	F23	%	F23	%
Volume (m 9Le)	**12.9**	**14.3**	**(10.1)%**	**14.3**	**(10.1)%**
NSR (A$m)	**737.0**	**782.4**	**(5.8)%**	**809.3**	**(8.9)%**
ANZ	345.7	367.2	(5.9)%	367.6	(6.0)%
Asia	49.4	73.0	(32.3)%	74.4	(33.6)%
Americas	27.0	27.4	(1.6)%	28.1	(4.0)%
EMEA	314.9	314.8	0.0%	339.2	(7.2)%
NSR per case (A$)	*57.3*	*54.7*	*4.7%*	*56.6*	*1.3%*
EBITS (A$m)	**76.0**	**81.7**	**(7.0)%**	**91.3**	**(16.7)%**
EBITS margin (%)	*10.3%*	*10.4%*	*(0.1)ppts*	*11.3%*	*(1.0)ppts*

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Financial performance

Volume and **NSR** declined 10.1% and 8.9% respectively driven by

- Double-digit declines in commercial shipments and reduced premium shipments, reflecting soft consumption trends in the below $15 price points in addition to underperformance relative to the category, particularly in Australia and the UK through 2H24
- Reduced shipments to Asia reflect the re-alignment of inventory levels to trend depletion rates

NSR per case increased 1.3% reflecting portfolio mix.

COGS per case increased 3.5% driven by portfolio mix, with benefits from the organisational supply chain optimisation initiatives implemented in 4Q23 reducing the impact to COGS from lower sales volumes.

CODB improved 12.7%, reflecting the re-alignment of brand investment with reduced divisional volume and the gain of $10.5 million on sale from the divestment of vineyard assets (of which $9.7 million was recognised in 1H24).

EBITS decreased 16.7% to $76.0 million and EBITS margin declined 1.0ppt to 10.3%.

Division insights

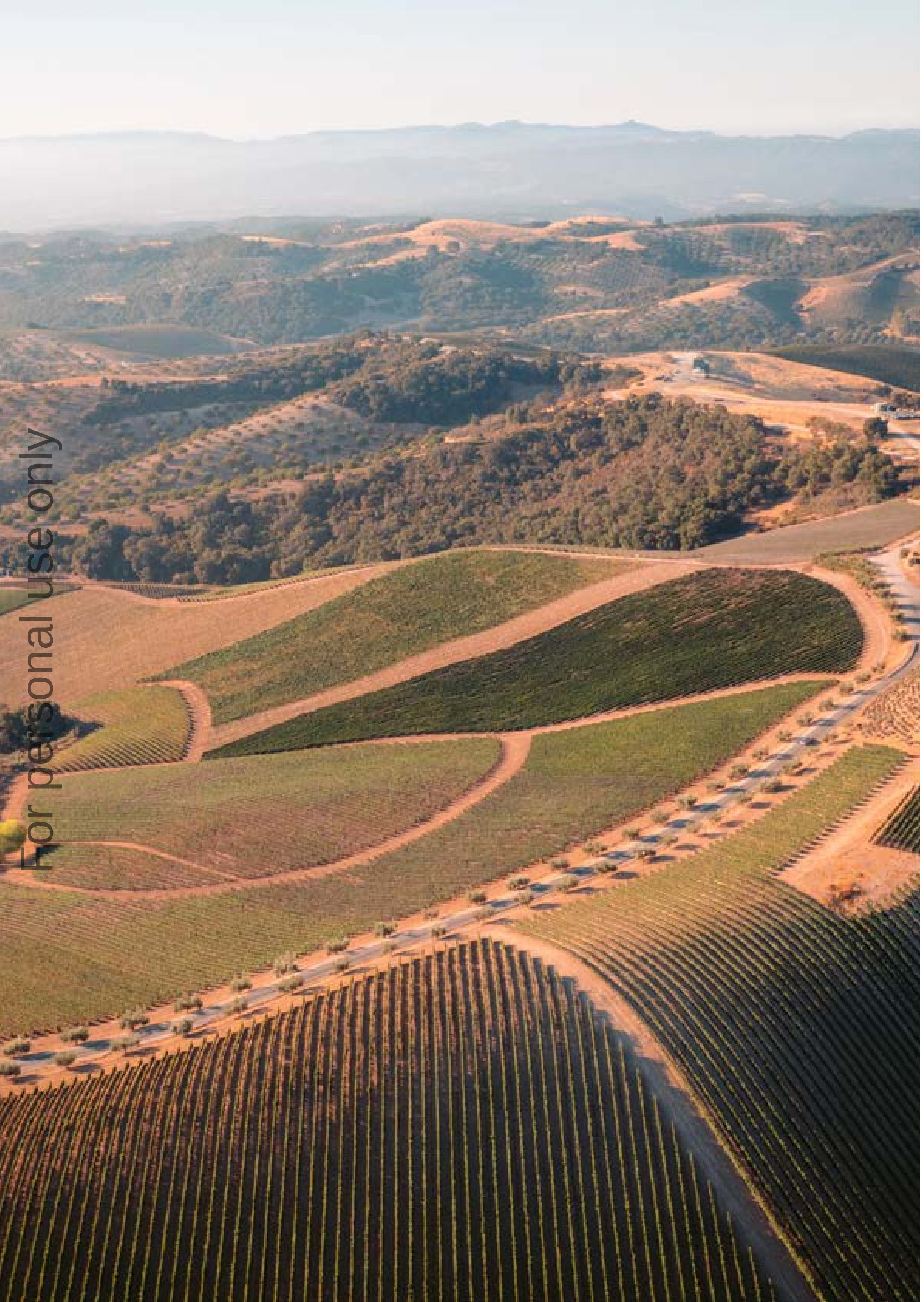
Key F24 execution highlights include:

- Priority premium brand focus continues to drive momentum, with the portfolio remaining in growth, driven by 19 Crimes, Squealing Pig and Pepperjack
- Re-launch of Treasury Premium Brands' Australian COO portfolio in China with an initial focus on Rawson's Retreat
- Innovation behind core brands continues to drive growth with expansion of the low and no alcohol portfolio and new packaging formats both highlights

Trading conditions are expected to remain consistent throughout Treasury Premium Brands' key markets in F25, supporting top-line stability and the delivery of EBITS (excluding the one-off benefit of asset sales in F24) broadly in line with the pcp[2]

Pinot Noir bunch, 2024 harvest at Matua
Photo by Grant Udy, Water Treatment Supervisor

1 Unless otherwise stated, all figures and percentage movements from prior periods are pre-material items on a constant currency basis versus the prior corresponding period and are subject to rounding
2 F25 expectations exclude any impact from potential divestment of the Commercial brand portfolio



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Treasury Americas

About Treasury Americas

The leading luxury wine supplier in the United States, Treasury Americas aims to boldly lead change in the Americas wine market through a consumer-obsessed business with an iconic portfolio of wines, disruptive marketing, strong e-commerce capability, and a focus on innovation.

Acquisition of DAOU Vineyards

In F24, TWE announced the acquisition of the leading luxury US wine business, DAOU Vineyards.

DAOU is recognised throughout the industry for its award-winning Cabernet Sauvignon-based PATRIMONY wines, unique consumer profile, and benchmark-setting luxury experiences. Founded by brothers Georges and Daniel Daou, DAOU has built a strong bond with consumers through its excellence in winemaking, unparalleled events, and the ability to reach consumers through the innovative DAOU+ app. The addition of DAOU accelerates Treasury Wine Estates' premium and luxury portfolio growth strategy in the US and globally, cementing its place as a global leader in luxury wine. With DAOU joining the TWE family of brands, the aim is to bring the love of DAOU to consumers around the world.

DAOU filled a gap in TWE's portfolio, offering a vibrant and contemporary brand that resonates with the evolving tastes of wine enthusiasts. DAOU is complementary to Treasury Americas' existing luxury portfolio, including Penfolds, Frank Family Vineyards, Beaulieu Vineyard, Stags' Leap Winery, Beringer Vineyards, and Etude Winery.

Unlocking Treasury Americas' full potential with two distinct consumer-obsessed portfolios.

Consumer-obsessed Operating Model

Treasury Americas has curated an enviable suite of brands requiring two different strategic marketing approaches. The DAOU acquisition provided Treasury Americas the scale to develop two distinct, consumer-obsessed focused teams, allowing the division to sharpen its focus.

- Luxury: Set the standard for the US Luxury Wine Experience.
- Premium: Bold People, Bold Brands, Bold Innovation.

Following the acquisition, an extensive integration program was executed to form one TWE team with legacy members of DAOU and TWE, bringing together the very best of both worlds. Treasury Americas is implementing a separate sales and marketing focus for the Luxury and Premium portfolios, supported by a centre of excellence with the shared services model. This operating model will bring with it the benefits of separate focus to best drive business plans, customer relationships, portfolio innovation and ultimately strengthen financial performance.

Treasury Americas

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Excellence in Wine Marketing

Carrying on its legacy for disruptive marketing, Treasury Americas (TAM) earned three prestigious awards at the inaugural Wine Marketing Awards. Hosted by the Wine Industry Network, these accolades celebrate excellence and innovation in the US wine industry. This recognition underscores TAM's commitment to reaching consumers with innovative, creative, and effective strategies in a hyper-competitive and highly regulated market.

Cause Marketing: Frank Family Vineyards: *#FrankForACause*

Napa's Frank Family Vineyards established the ***#FrankForACause*** giving campaign as a philanthropic avenue to contribute to the well-being of its Napa community and beyond.

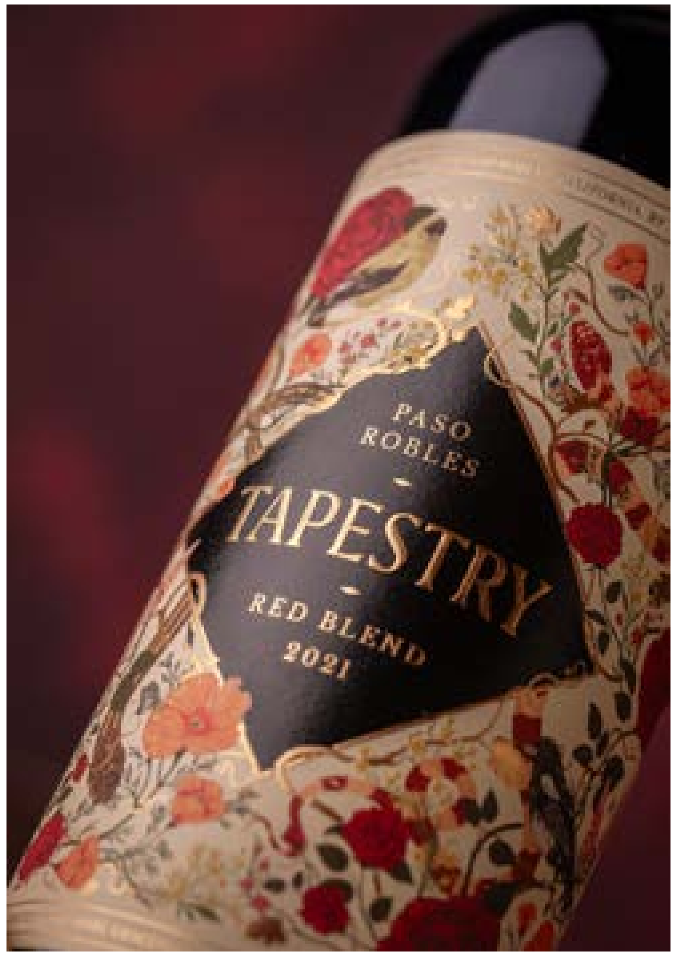
These efforts garnered nearly $500,000 to benefit the Breast Cancer Research Foundation, Feeding America, Autism Speaks, the James Beard Foundation's Open for Good Campaign, the Humane Society of the United States, the Arbor Day Foundation and, most recently, K9s For Warriors.

AI/Website Marketing: WineEvent.com

In March 2023, TAM launched WineEvent.com – a flash-sale website for all its brands in the Americas. Nearly all content in the creation of the site and ongoing content has been created using Generative AI platforms such as ChatGPT and Gemini.

This innovative site and content development method has successfully achieved business goals and continues to show how AI can create added bandwidth for marketing teams, support increased creativity and drive further innovation.

Packaging: Tapestry



Tapestry is a celebration of the unique terroir of Paso Robles, brought to life through the art of the blend. In partnership with branding and design firm Makers & Allies, Tapestry's label design, featuring custom illustrations and typography, with flora and fauna native to to California's Central Coast, pays homage to the region's captivating biodiversity.

Together, a robust social media plan, photo and video shoots, and lifestyle content all led to a successful brand launch that embodies the brand's ethos of "The Art of The Blend."

Napa Chamber of Commerce Sustainable Business of the Year

A leader in sustainability in the wine industry and beyond, the Treasury Americas team was honoured with Sustainable Business of the Year award by the Napa Chamber of Commerce.

The award highlights the Company's unwavering commitment to sustainability and its significant contributions to environmental stewardship in Napa Valley, in which it is one of the largest luxury landowners.

Sustainability is a key focus for TWE and Treasury Americas has implemented a variety of innovative strategies aimed at reducing environmental impact while maintaining a high standard of excellence in its business operations. With a focus on environmental stewardship, the company has been at the forefront of integrating sustainable methods into its operations, setting the benchmark for other businesses in the region.

These efforts include improving ecosystems and donating land in the Napa River restoration project, as well as expanding solar arrays across all Treasury Americas wineries, with future installations designed to cover approximately 40% of the business' current electricity demand.[1] As part of this approach, we continued to develop partnerships including with the University of California, Davis to educate and inspire innovation in the industry.

1 Demand is likely to increase in the future

Women in Wine Inspirational Leaders

Each year, the North Bay Business Journal's Women in Wine Awards celebrates the achievements and contributions of female winemakers and wine industry professionals in the San Francisco North Bay Area. Treasury Americas was proud to see two exceptional female leaders honored with the Inspirational Leader Award in 2024: Leslie Frank (pictured left) and Rachel Ashley (right).

Leslie Frank: Community champion and marketing expert

Co-founder of Frank Family Vineyards and TWE Board Member, Leslie is a powerhouse in marketing and communications. She also leads the #FrankForACause initiative, making a big impact on the Napa community and beyond. Leslie's dedication to philanthropy and community engagement truly embodies what the Inspirational Leader Award is all about.

Rachel Ashley: Sustainability pioneer and mentor

Rachel Ashley, Senior Vice President of Supply at Treasury Wine Estates, is driving change with the company's global sustainability strategy in the Americas. Thanks to her efforts, Treasury Wine Estates is on track to hit 100% renewable electricity by the end of 2024. Rachel is also a valued mentor, helping many women within the Company and across the wine industry grow and succeed.

As the wine industry evolves, leaders like Rachel and Leslie are paving the way for future generations.

Divisional performance overview

Treasury Americas[1]

	Reported currency			Constant currency		
A$m (unless otherwise stated)	F24	F23	%	F23	%	% Organic[2]
Volume (m 9Le)	**6.0**	**5.5**	**9.7%**	**5.5**	**9.7%**	**(0.5)%**
NSR (A$m)	**1,002.3**	**820.8**	**22.1%**	**839.4**	**19.4%**	**0.6%**
ANZ	-	-	-	-	-	-
Asia	-	-	-	-	-	-
Americas	1,002.3	820.8	22.1%	839.4	19.4%	0.6%
EMEA	-	-	-	-	-	-
NSR per case (A$)	*167.0*	*150.0*	*11.3%*	*153.4*	*8.9%*	*1.1%*
EBITS (A$m)	**230.5**	**203.9**	**13.1%**	**212.7**	**8.4%**	**(9.2)%**
EBITS margin (%)	*23.0%*	*24.8%*	*(1.8)ppts*	*25.3%*	*(2.3)ppts*	*(2.5)ppts*

Financial performance

Volume and **NSR** increased 9.7% and 19.4% respectively, driven by:

- The contribution from the acquired DAOU portfolio in 2H24
- Organic luxury portfolio NSR growth of 11.4% supported by increased wine availability, particularly for Stags' Leap and Frank Family Vineyards
- Partly offset by the 5.5% decline in NSR for the remainder of the Treasury Americas portfolio, driven by the 19 Crimes Modern tier innovations that were released in F23
- Depletions exceeded shipments by 0.2m cases in F24, driven by distributor inventory de-load across some premium portfolio brands

NSR per case increased 8.9% reflecting portfolio mix, with luxury portfolio contribution post the acquisition of DAOU now over 50% of divisional NSR.

COGS per case increased 11.0% reflecting portfolio mix and the sell through of the wildfire impacted 2020 California Luxury vintage, with COGS improving in 2H24 upon transition to the sale of the 2021 vintage.

CODB increased 28.4%, driven by the acquisition of DAOU.

EBITS increased 8.4% to $230.5 million, with EBITS margin decreasing 2.3ppts to 23.0%.

Division insights

Key F24 execution highlights include:

- Luxury portfolio NSR growth, with increased availability and improved breadth and quality of distribution driving strong momentum
- Continued strong growth for DAOU, which grew NSR 21% to $332.5 million in F24 versus the pcp. The 2H24 contribution was in line with expectations, with NSR and EBITS of US$104.2 million and US$24.7million respectively
- Re-design of Treasury Americas operating model to separate sales and marketing focus between its luxury and premium portfolios, effective from 1 July 2024, and a revised distributor model focused on enhanced partnerships
- Stabilisation of the 19 Crimes Classic portfolio (NSR modestly below the pcp), with key marketing activations continuing into F25 expected to support top-line stability
- DAOU business integration is underway, with material production and overhead cost synergies of US$20 million+ progressing and on track to be realised by the end of F26

In F25, Treasury Americas is focused on the following priorities:

- Completing integration and continuing the strong growth momentum for DAOU
- Delivering growth across the other luxury portfolio brands, supported by a double-digit increase in portfolio availability
- Delivering stability across the remaining portfolio brands
- EBITS delivery is expected to be balanced across F25, reflecting business seasonality and the realisation of DAOU acquisition synergies, with EBITS margin expected to improve towards the long-term target in the high-20% range

1 Unless otherwise stated, all figures and percentage movements from prior periods are pre-material items on a constant currency basis versus the prior corresponding period and are subject to rounding
2 On a constant currency basis, excluding the contribution of DAOU in Treasury Americas.

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Supply update

The Supply update replaces the Vintage update included previously in this report. The update focuses on the result of the vintage completed in the most recent half year. As a result of this change, this update reflects only the Southern hemisphere vintage outcome. From next year onwards, the update will include both Southern and Northern hemisphere vintage outcomes.

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Australia

Vintage conditions varied across regions and TWE's sourcing strategy, focused on premium and luxury wines and sourcing grapes from several established and climatically diverse inland regions such as Barossa Valley, McLaren Vale, and Coonawarra, has proven successful once again.

By anticipating the Chinese market's reopening and acting swiftly, TWE supplemented existing sourcing by securing access to new fruit and wine supplies, positioning ourselves to meet the rising demand for our Luxury portfolio.

The exceptional quality of fruit from these regions resulted in record intakes for TWE's luxury wines, particularly Penfolds. This achievement reflects a combination of factors: a strong and diverse sourcing network, valuable winery assets in the luxury segment, and the outstanding execution of TWE's Australian supply team ensuring a significant step-up in availability for Luxury wine from 2H26. Premium and commercial fruit intake was reduced to align the inventory position to an optimised level.

New Zealand

The 2024 New Zealand harvest delivered intake to support TWE's growth objectives, particularly for Treasury Americas.

Recognising the seasonal variability in Marlborough weather patterns and committed to proactive portfolio management, TWE made a strategic acquisition in 2024: the Weta Vineyard. This expansion adds 245 hectares of prime Marlborough grapes to our portfolio, bolstering our long-term supply security. With this increased diversification, we are well-positioned to navigate future fluctuations and mitigate any resulting supply-demand imbalances.

Reconciliation of key performance measures

Metric (A$m unless otherwise stated)	Management calculation	F24	F23
EBITS	Statutory net profit	98.9	254.3
	Income tax expense	69.3	82.8
	Net finance costs	96.6	72.7
	Material items (gain) / loss	404.2	109.2
	SGARA (gain) / loss	(10.9)	64.5
	EBITS	**658.1**	**583.5**
EBITDAS	EBITS	658.1	583.5
	Depreciation & Amortisation	155.2	147.3
	EBITDAS	**813.3**	**730.8**
EPS [1,2]	Statutory net profit	98.9	254.5
	Material items (gain) / loss	404.2	109.2
	Tax on material items	(86.1)	(33.2)
	SGARA	(10.9)	64.5
	Tax on SGARA	1.4	(18.9)
	NPAT (before material items & SGARA)	**407.5**	**376.1**
	Weighted average number of shares (millions)	778.8	728.7
	EPS (cents)	**52.3**	**51.6**
ROCE[3]	EBITS (LTM)[4]	716.0	583.5
	Net assets excluding impairment in F24	4,900.7	3,878.9
	SGARA in inventory	(43.5)	(37.8)
	Net debt	1,712.5	1,386.2
	Capital employed – Current year	**6,569.7**	**5,227.4**
	Net assets (CFX)	4,782.3	3,875.7
	SGARA in inventory (CFX)	(37.8)	(44.9)
	Net debt (CFX)	1,827.1	1,285.2
	Capital employed – Prior year (CFX)	**6,571.6**	**5,116.0**
	Average capital employed	6,570.7	5,171.7
	ROCE	**10.9%**	**11.3%**

1 Earnings per share for the year ended 30 June 2023 has been restated, in accordance with AASB 133, for the dilutive effects of the rights issue executed during the current financial year to ensure consistency period on period. Refer to Note 7 of the financial statements within the 2024 Annual Report for details
2 Excludes earnings attributable to non-controlling interests
3 Capital employed has not been adjusted for the impact of the Treasury Premium Brands impairment
4 Includes 1H24 DAOU EBITS, prior to acquisition by TWE


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Sustainability

In the face of a changing world and ongoing challenging market conditions, we have continued to make significant progress in our sustainability agenda and broader strategic objectives. We continue to build a more resilient business, produce sustainable wine, and prioritise the wellbeing of our people, communities, and consumers to support our ambition of cultivating a brighter future.

Our approach

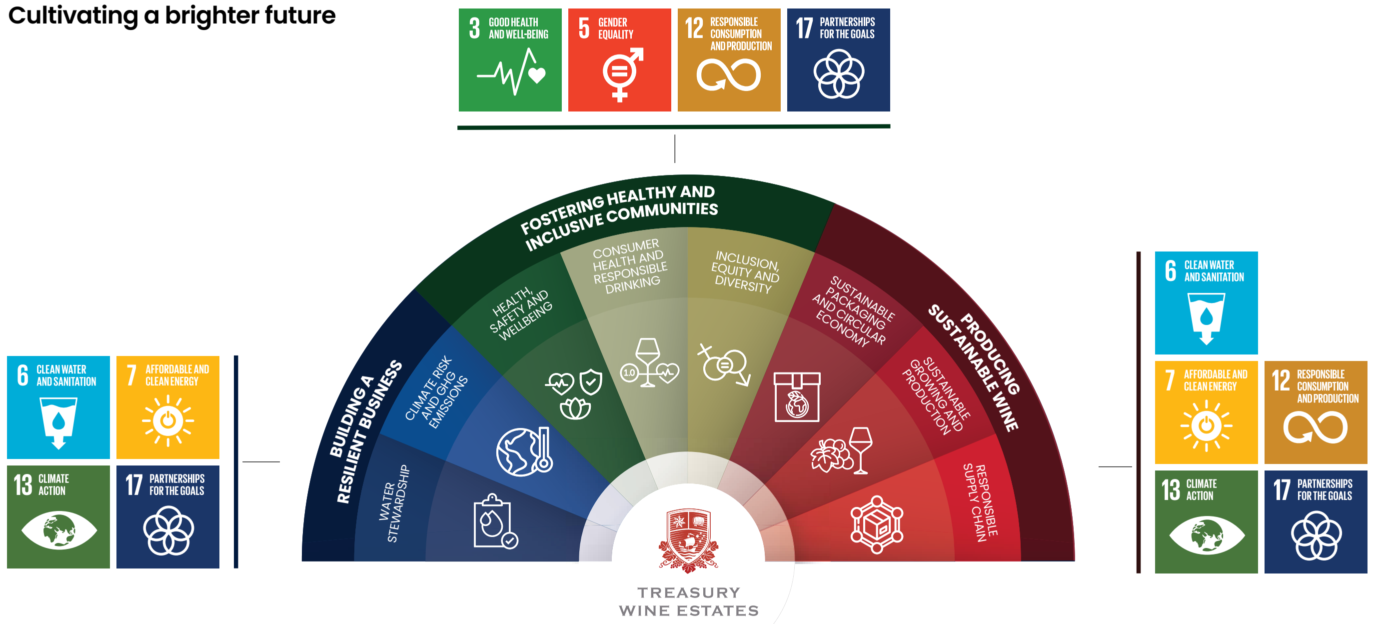
Our approach to sustainability is embedded throughout our entire organisation, and is driven by our DNA. It reflects a clear commitment to innovation, partnerships and taking a global leadership role across the wine and beverages sectors. Through our commitment to sustainability, we aspire to shape a positive future for everyone who touches our business from grape to glass.

This bold ambition adopts an integrated approach to sustainability focusing on long-term value creation and leading collective action to effectively manage risks, and seize new and emerging opportunities. To support this strategy, we continue to invest in improving our overarching governance approach including data, processes, and systems. We also acknowledge the importance of sustainability being embedded into our broader business strategy and decision making.

Our sustainability strategy and associated programs of work are informed by best practice initiatives and guidance including the Global Reporting Initiative (GRI), the United Nations Global Compact (UNGC), and the United Nations Sustainable Development Goals (UN SDGs). We continue to evolve our reporting approach to include emerging environment, social and governance (ESG) requirements. In F24 the reporting focus and expectations shifted from the Taskforce on Climate-related Financial Disclosure (TCFD) to future mandatory reporting from the International Sustainability Standards Board (ISSB) and Australian Accounting Standards Board (AASB). The finalisation of these Standards and associated regulatory changes are expected in F25, and mandatory reporting for TWE is likely to commence from F26.[1] In addition, evolving reporting areas outside of climate such as nature and biodiversity captured within the Taskforce on Nature-related Financial Disclosures (TNFD) are being considered in our strategy and reporting.

1. Based on information available from ISSB, AASB and Australian Treasury as of 4 July 2024.

Cultivating a brighter future



Our sustainability agenda has three focus areas:

Building a resilient business: we want to ensure our business is resilient in the face of increasing uncertainty, complexity, and change.

Fostering health and inclusive communities: we want to foster safe, sociable, and connected communities where our brands are promoted, and our wine is consumed safely and responsibly.

Producing sustainable wine: we want every consumer to experience wine that is sustainably grown, made, and packaged.

Sustainability

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Progress

Our key performance highlights over the year include:[2]

- Reducing our greenhouse gas emissions around 66% since F21 (Scope 1 and 2)
- Continuing to switch to renewable electricity, ~80% of our total electricity usage[3] over F24 was from certified renewable sources. We have now completed 24 solar projects across our global footprint
- Installing smart water meters in >90% of sites[3] operating in high-risk catchments as well as completing a number of water preservation projects
- Continuing to build a resilient business by developing a deep understanding of climate risk for our viticultural assets, whilst exploring adaptation options
- Achieving a 39% reduction in the 3-year rolling Serious Safety Incident Frequency Rate, as a result of the ongoing focus and continued success of our Build Safe campaign
- Completing Primary Risk Assessments for 100% of contracted spend in our supply chain
- Maintaining sustainability certification across 99.2% of our owned and leased winery and vineyard sites globally. Ongoing engagement with growers and bulk wine providers has led to a large proportion of global sourcing being sustainably certified.

Importantly, we note there is more work to do, and an ongoing commitment is required to drive holistic and meaningful impact, and deliver our longer-term objectives and business resilience. We remain focused on improving the quality of our data, deepening the integration of sustainability considerations including climate change across our business, and supporting collaborative action on key issues in our operating markets.

A detailed overview of progress against our strategic focus areas and public commitments will be available in our 2024 Sustainability Report, released later this year.

Governance and reporting

In F24 management continued to focus on the delivery and advancement of our sustainability agenda. Progress against strategic roadmaps for each of our public commitments, alongside key enablers such as communications, reporting, and data, was reported monthly to our executive sponsor with regular updates to the Executive Leadership Team (ELT).

The Board oversees TWE's approach to, and management of sustainability (or ESG) matters and receives updates on sustainability and the status of key priorities and initiatives. The Board also has oversight of our key ESG disclosures, including the Company's annual Sustainability Report.

TWE's Board Wine Operations and Sustainability Committee (WOSC) has been in place since F22, and focuses on strategic, long-term planning and operational issues in winemaking, sustainability, and supply chain in its own operations, and the relationship with the sector in different winemaking regions. The WOSC continued to meet regularly over F24, engaging on a broad range of topics related to our performance including climate risk and adaption, renewable electricity and net zero emissions, farming philosophy, water stewardship strategy, responsible supply chain, modern slavery statement, and mandatory climate reporting.

TWE's reporting on sustainability and ESG topics is captured in our annual Sustainability Report, which provides updates on progress and performance.

Preparing for mandatory climate reporting

As a global viticultural business, TWE is exposed to both physical and transitional climate risks and opportunities. The physical risks include those arising from extreme weather events and changes in climatic patterns affecting temperature and water security. Transitional risks and opportunities arise from political, legal, technological, and market responses to the challenges posed by climate change and the transition to a lower carbon economy. We continue to monitor these emerging trends, together with changing consumer preferences and expectations.

Previously, we have sought to align our climate disclosures with the 11 TCFD recommendations.
In line with the reporting expectations and changes over F24, including the introduction of future mandatory reporting requirements, we are working to increasingly align with the ISSB and AASB. In F24, we established an internal ESG Reporting Steering Committee comprising relevant ELT and other senior members from across the business. We have developed a roadmap to ensure compliance with mandatory climate reporting requirements and commenced delivery of various initiatives and improvements across the business. Further detail will be available in our 2024 Sustainability Report.

2 Pending verification and assurance
3 Includes DAOU

Castello di Gabbiano, Tuscany
Photo by Francesco Caselli, Head of Agriculture – Gabbiano Site Manager

Inclusion, equity and diversity

TWE's Inclusion, Equity & Diversity (IE&D) strategy is underpinned by a commitment to upholding the International Bill of Human Rights, as well as the United Nations Guiding Principles on Business and Human Rights, and Modern Slavery Acts. TWE benefits from the diversity of our people, with their variety of backgrounds, ideas, cultures, ethnicities, talents, genders and voices.

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Our inclusive, supportive and collaborative culture attracts and retains the best talent. We strive to create an environment where people from diverse backgrounds can bring their unique perspectives and contribute to the organisation's success.

The Board has committed to reviewing and assessing progress against TWE's IE&D objectives every six months. The Company is pleased to report progress in F24 and an overview of the TWE F30 IE&D Strategy and F25 measurable objectives.

The Company's IE&D policy can be found at www.tweglobal.com

F24 diversity target and objectives

Recommendation 1.5 of the ASX Corporate Governance Principles and Recommendations states that a company's board or board committee is to set measurable objectives for achieving gender diversity. The targets that have been set by the Board are as follows:

1. To increase female representation in leadership roles to 50% by 2025, while continuing to foster an inclusive culture.
2. To increase female representation across the total TWE workforce to 42% by 2025.

The three pillars of our IE&D strategy

Leaders who model our DNA: developing leaders who steadfastly role model and lead inclusion.

Engaged employees, consumers and communities: achieving meaningful outcomes from employees who bring their whole selves to work, and consumers who recognise our commitment to inclusion and diversity through our brands.

Employer of choice: creating industry-leading policies and work processes that maximise inclusion and minimise bias.

The CEO and all ELT members had a Diversity and Inclusion Key Performance Objective (KPO) to deliver the objectives in F24.

F24 progress on diversity targets

As at 30 June 2024, TWE reached:

- 47.2% female representation in leadership roles, compared to the target of 50% by 2025 (increased from 44.5% in F23); and
- 42.9% female representation in all roles, compared to the target of 42% by 2025 (increased from 42.8% in F23).

F24 progress towards the IE&D Strategy

Our ambition, in seeking to continuously progress our IE&D maturity as a company, is to create a culture that is inclusive of all. Whilst we have made significant progress demonstrating a leadership-led, visible commitment to IE&D and embedding IE&D into our ways of working, we recognise that we have some specific challenges to overcome in certain areas of our organisation. It was this insight that underpinned our IE&D plan and focus for F24; continuing to encourage leaders to embed IE&D into their ways of working, whilst seeking to better integrate IE&D activities and outcomes into and across our global Supply workforce.

The following outlines our key achievements against the F24 plan, aligned under our three strategic pillars:

Leaders who model our DNA

- The Supply Leadership Team and new members of the Executive Leadership Team participated in Inclusive Mentoring.
- ERG awareness has been integrated into the Supply Frontline Leadership Academy Program in America and Australia.

Engaged employees, consumers and communities

- Dedicated initiatives to address IE&D issues within Supply were delivered, including engaging Employee Resource Groups (ERGs) in site specific events and positioning Supply at the centre of a working group to lead TWE's first Reconciliation Action Plan (RAP).
- Introduction of "ERG connects" for ERG leads to drive greater connection between ERGs and across regions to maximise shared impact.
- IE&D alignment initiative with key distributor partners in America.

Employer of choice

- The collection of demographic data for desk-based employees has been extended beyond our pilot in the UK to now include the US, Australia, New Zealand and Singapore. This enables us to be data-led and more targeted in our strategy and initiatives.
- To ensure remuneration equity globally, we reviewed our gender pay gap to determine the difference between male and female earnings, irrespective of role or seniority.
- TWE Americas was recognised as the Healthiest Employers of the Bay Area for mid-sized company category.
- Recognised as an Australian Workplace Equality Index (AWEI) Silver Status Employer.
- TWE participated for the first time in the Australian Disability Network's Access & Inclusion Index: an important step in identifying, measuring and progressing TWE's access and inclusion maturity.

F30 IE&D Strategy

Aligned with TWE's new Game Plan, we have developed the next evolution of the IE&D strategy, with the goal of fostering greater connection and belonging for all employees with specific initiatives aligned with the three pillars:

1. **Leadership** – we continue to recognise and prioritise the importance of inclusive leadership.
2. **Connection** – our goal is to ensure every team member feels valued and included, irrespective of who they are or where they work.
3. **Ways of working** – we continue to focus on attracting people from different demographic groups to apply to work at TWE, and to evolve our systems and processes so that everyone is positioned for success.

Our F30 IE&D strategy is an emergent strategy which will evolve over time based on a process of continuous experimentation and adaptation.

F25 objectives and initiatives

TWE continues to strive towards the following targets:

- Increase **female representation in leadership roles** to 50% by 2025.
- Increase **female representation across the total TWE workforce to 42% by 2025.**
- Continue to foster an inclusive and equitable culture.

The following high priority initiatives are planned to build on the Company's achievements in F25:

- Support senior leaders to develop a personal understanding of inclusion and connection, to build their motivation and capability to lead IE&D initiatives.
- Use volunteering to build connections between employees and between our employees and the community.
- Use strategic workforce planning to diversify TWE's talent pool for potential candidates.
- Leverage development and development planning to retain employees from underrepresented groups to maintain and improve diversity.

The CEO and all ELT members have a Leadership, Inclusion, Equity and Diversity Key Performance Objective (KPO) to deliver the above objectives in F25.

Board diversity objective

The Board is committed to ensuring it is comprised of individuals with appropriate skills, experience and diversity to develop and support the Company's strategic imperatives. The importance of cultural, geographic and gender diversity is reflected in the Board's membership, with four non executive directors based offshore in regions in which the Company operates. Females represent 50% of the Board, and 57% of non-executive directors, as at the date of this report.

Inclusion, equity and diversity

Organisational gender profile

The Company makes the following diversity disclosures in relation to Recommendation 1.5 of the ASX Corporate Governance Principles and Recommendations:

Recommendation 1.5 requirement	
Proportion of females in the whole organisation	As at 30 June 2024, 42.9% of the Group's employees were female.
Proportion of females in senior executive[1] positions within the Group	As at 30 June 2024, 30% of the senior executive positions within the Group were held by females.
Proportion of females on the Board of the Company	As at 30 June 2024, 42.9% of the Company's Board of Directors (and 50% of non-executive directors) were female. The Board is committed to ensuring that it is comprised of individuals with appropriate skills, experience, and diversity to develop and support the Company's strategic aims. Further details are set out in the Corporate Governance section of the Annual Report

As an Australian based business, the Company complies with the Workplace Gender Equality Act which requires annual filings to the Australian Workplace Gender Equality Agency (WGEA) disclosing 'Gender Equality Indicators'. This report, covering the 12-month period ending 31 March, was published on the WGEA and the TWE websites in June 2024. https://www.tweglobal.com/careers/inclusion-equity-and-diversity

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1. For the purposes of this disclosure, the Company has defined 'senior executive' as the Chief Executive Officer and his/her direct reports. To note, using the TWE definition, 47.2% of leadership roles were held by females as at 30 June 2024.

Board of Directors

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John Mullen

BSc

Non-executive Chairman

Member of the Board since May 2023 and Chairman of the Board and the Nominations Committee since October 2023.

Mr Mullen is an independent Director and is an Australian resident.

Mr Mullen has extensive experience in international transportation and logistics, with more than two decades in senior positions with some of the world's largest transport and infrastructure companies. He has lived or worked in 13 countries. From 2011 to 2017, Mr Mullen was Chief Executive Officer of Asciano, Australia's largest ports and rail operator. Prior to this Mr Mullen spent 15 years with DHL Express, a US$20b company employing over 100,000 people in 220 countries, serving as the global Chief Executive Officer from 2005 to 2009.

Prior to DHL, Mr Mullen spent 10 years with the TNT Group with four years as the Chief Executive Officer of TNT Express Worldwide based in the Netherlands.

Mr Mullen is also a director and Chairman Elect of Qantas Airways Ltd (since April 2024), Chairman of Brambles Ltd (since 2020) and Scyne Advisory (since 2023), a director of Brookfield Infrastructure Partners LP. (from 2021 and previously 2017-2020), and Chairman of the Australian National Maritime Museum (from 2019).

Former Directorships and appointments include Chairman of Telstra Group Limited (2016 to 2023 and Director 2008 to 2023), Toll Holdings (2017 to 2022), the US National Foreign Trade Council in Washington (2008 to 2010), and Member of the UNICEF Task Force on Workplace Gender Discrimination and Harassment (2018-2019).

Tim Ford

BBus, MBA

Managing Director and Chief Executive Officer

Member of the Board since July 2020.

Mr Ford is an Australian resident and TWE's Chief Executive Officer.

Since joining TWE in February 2011, Mr Ford has held key roles across the business' global operations, including Director, Global Supply and Managing Director Europe, South East Asia, Middle East and Africa, and Deputy Chief Operating Officer with responsibilities for Asia, Europe and the ANZ regions.

In January 2019 Mr Ford was appointed Chief Operating Officer with responsibility for TWE's global operations, and took the helm as Chief Executive Officer on 1 July 2020.

Mr Ford has more than 20 years' experience in the wine, food and beverages sectors, with a strong track record for disciplined execution of strategy, driving growth, and building high performing and connected teams. Prior to joining TWE, he held senior management roles with National Foods and CUB.

Ed Chan

B.A/Ec, MS

Non-executive Director

Member of the Board since September 2012 and a member of the Audit and Risk Committee.

Mr Chan is an independent Director and a Hong Kong resident. He is currently a director of Dingdong (Cayman) Limited (NYSE:DDL) (since August 2024) and Hong Kong-listed LINK REIT (since February 2016).

Mr Chan is a former Partner at Gaorong Capital (from July 2020 to June 2022), a former Director of Yum China Holdings, Inc (from October 2016 to May 2021), a former Operating Partner of SoftBank Investment Advisers (from June 2019 to June 2020), the former Vice Chairman of Charoen Pokphand Group (from January 2012 to February 2018) and a former director of Hong Kong-listed CP Lotus (from April 2012 to February 2018). From 2006 to 2011, Mr Chan was the President and CEO of Wal-Mart China. He has also held senior positions with Dairy Farm, including his last position as North Asia Regional Director, as well as leading the Bertelsmann Music Group business in Greater China. Mr Chan began his career as a consultant with McKinsey & Co working in both Hong Kong and the United States.

Leslie Frank

B.A. Journalism

Non-executive Director

Member of the Board since 1 July 2024.

Ms Frank is a non-independent Director and an American resident.

Ms Frank is a former owner and founder of the iconic Frank Family Vineyards, a highly acclaimed luxury wine business based in the Napa Valley, California that was acquired by TWE in 2021. Ms Frank has extensive expertise in luxury brands and the US wine industry, having played an instrumental role in the strategic marketing and branding of Frank Family Vineyards and its luxury collection of wines. Ms Frank is also an Emmy Award-winning journalist, having worked in some of the largest television markets in the United States including reporting and anchoring at the number one rated KABC in Los Angeles and KCPQ in Seattle.

Ms Frank is actively involved in charitable work in the Napa Valley community. Ms Frank currently sits on the Boards of Festival Napa Valley and the St. Helena Hospital Foundation. Ms Frank has been named Honorary Gala Chair for Collabria Care and has been recognised as Vintner Grant Honoree by the V Foundation for Cancer Research. Ms Frank received the wine industry Philanthropy Award by the North Bay Business Journal in 2019 and was recently awarded the 2024 Women in Wine Inspirational Leader Award. Ms Frank is a former director of OLE Health (September 2021 to June 2023).

Ms Frank is classified as a 'non-independent' Director having regard to two grape supply agreements she has in place with TWE, as well as an ongoing consultancy arrangement, details of which are disclosed in the Company's 2024 Corporate Governance Statement.

Garry Hounsell

B.Bus (Acc), FCA, FAICD

Non-executive Director

Member of the Board since September 2012, Chair of the Wine Operations and Sustainability Committee and a member of the Audit and Risk Committee, Human Resources Committee and the Nominations Committee. Mr Hounsell is an independent Director and is an Australian resident.

He is currently Chairman of Helloworld Travel Limited (since October 2016), the Commonwealth Superannuation Corporation Limited (since July 2021, and a director since July 2016) and Electro Optic Systems Holdings Limited (since November 2022).

Mr Hounsell is a former Chairman of Hiro Brands Limited formerly known as Wellness and Beauty Solutions Limited (from December 2021 to November 2023), PanAust Limited (from July 2008 to August 2015), Myer Holdings Limited (from November 2017 to October 2020, and a director from September 2017 to October 2020), Spotless Group Holdings Limited (from February 2017 to August 2017, and a director from March 2014 to August 2017) and a former director of Qantas Airways Limited (from January 2005 to February 2015), Integral Diagnostics Limited (from October 2015 to March 2017), Dulux Group Limited (from July 2010 to December 2017) and Findex Group Limited (January 2020 to April 2024), and has held senior positions at both Ernst & Young and Arthur Andersen.

Colleen Jay

B.BA (Hons)

Non-executive Director

Member of the Board since April 2018, a member of the Human Resources Committee and a member of the Wine Operations and Sustainability Committee.

Ms Jay is an independent Director and an American resident.

Ms Jay has extensive experience in the fast-moving consumer goods industry, acquired over a long and successful career at Procter & Gamble (P&G, NYSE: PG), an American multinational consumer goods company, between 1985 and 2017. She has held a number of senior leadership roles at P&G, including President of Global Retail Hair Care & Colour and her most recent position as President of the US$5 billion Global Beauty Specialty business, where she also led a complex transition and divestiture of several businesses.

Ms Jay has significant global experience having lived and worked in the United States, Europe, China and Canada. Her leadership experience includes significant global line operational leadership, strategy creation and execution, global brand building, new business development, transformational innovation and M&A.

Ms Jay is currently an independent non-executive director of The Cooper Companies (NASDAQ: COO) and Beyond Meat (NASDAQ: BYND).

Antonia Korsanos

BEC, CA, GAICD

Non-executive Director

Member of the Board since April 2020, Chair of the Audit and Risk Committee and a member of the Nominations Committee.

Ms Korsanos is an independent Director and an Australian resident.

Ms Korsanos has extensive senior executive, strategy, M&A, financial, global supply chain and governance experience, acquired over a successful career as Chief Financial Officer of ASX-listed Aristocrat Leisure Limited between 2009 and 2018, where she also served as Company Secretary from 2011. During her career with Aristocrat, Ms Korsanos gained a significant understanding of the US market and regulatory environment, and led a number of transformational cross-border technology acquisitions.

Prior to joining Aristocrat, Ms Korsanos held senior leadership roles in the fast-moving consumer goods industry for a period of 10 years, including at Goodman Fielder and Kelloggs. Ms Korsanos commenced her career with accounting firm Coopers & Lybrand (now PwC) and has been a Chartered Accountant since 1994.

Ms Korsanos is currently Vice Chair of Light & Wonder, Inc. (formerly known as Scientific Games Corporation) (NASDAQ: LNW) (since September 2020). Ms Korsanos was Chair of SciPlay Corporation (NASDAQ: SCPL) from August 2022 to October 2023 when SciPlay became a wholly-owned subsidiary of Light & Wonder. Ms Korsanos is a former director of Crown Resorts Limited (from May 2018 to October 2021), Ardent Leisure Group Limited (from July 2018 to June 2020) and Webjet Limited (from June 2018 to March 2021). In the private sector, in 2019 she co-founded a Growth Equity Fund (Ellerston JAADE Fund) which invests in private Australian technology companies.

Lauri Shanahan

JD Business Law, BS Finance

Non-executive Director

Member of the Board since November 2016, Chair of the Human Resources Committee and a member of the Nominations Committee.

Ms Shanahan is an independent Director and an American resident.

Ms Shanahan has extensive DTC, consumer products, hospitality, consumer branding, remuneration, sustainability and governance experience. She has held senior executive positions, including as Chief Administrative Officer, Chief Legal Officer and Corporate Secretary with The Gap Inc, where she was involved in leading the company's domestic and global expansion and had direct oversight responsibility for key strategic initiatives as well as for operating, administrative and sustainability functions worldwide. Ms Shanahan also founded the consulting practice Maroon Peak Advisors of which she is a Principal.

Ms Shanahan is currently a director of Deckers Outdoor Corporation (NYSE: DECK) and CAVA Group Inc (NYSE: CAVA). Ms Shanahan is a former director of Cedar Fair Entertainment Company (NYSE: FUN) and G Squared Ascend (NYSE: GSQD.U). Ms Shanahan is a former member of the California State Personnel Board (December 2012 to March 2022).

Corporate governance

The Board believes good corporate governance and transparency in corporate reporting is a fundamental part of the Company's culture and business practices.

During the year, the Board continued to govern the Company through the execution of its strategy. Key issues for the Board during the year included:

- Approving the acquisition of DAOU Vineyards, a highly acclaimed luxury wine brand in the USA, and overseeing its integration.
- Preparing for and overseeing the execution of plans to re-establish the Company's Australian Country of Origin portfolio in China following the Chinese Ministry of Commerce's decision to remove tariffs on Australian wine imports into China.
- Considering the future operating model for TWE's global portfolio of Premium brands, with a determination to be made during CY24.
- Overseeing the creation of and approving the One TWE architecture, which includes the Company's purpose, vision, strategy and DNA.
- Overseeing the Company's sustainability agenda and progress, including approval of TWE's annual Sustainability Report and TWE's Statement on Human Rights and Modern Slavery as well as oversight of performance under TWE's public sustainability commitments.
- Continued development of Board composition and succession plans including the appointment of John Mullen as Chairman and the appointment of Leslie Frank as a non-executive director, effective 1 July 2024.
- Continued commitment to the governance of workplace health, safety and wellbeing performance, and developing a culture of leadership on safety across the business.
- Providing input into, and approval of, the TWE F25-F29 Strategic Plan, approving the annual financial budget, and monitoring corporate performance and the implementation of strategy and policy.
- Maintaining effective governance to facilitate high-quality processes and internal controls.

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Introduction

The Board is committed to conducting the Company's business ethically and responsibly and in accordance with high standards of corporate governance. This is essential for the long-term performance and sustainability of the Company and to protect the interests of its stakeholders.

To this end, the Board regularly reviews the charters and key policies that underpin the Company's corporate governance practices to ensure they remain appropriate, reflect high standards of governance and meet regulatory requirements. During the financial year, the Company's governance practices complied with the fourth edition of the ASX Corporate Governance Principles and Recommendations (ASX Principles and Recommendations).

This Corporate Governance section provides an overview of the Board's operations, details on the governance framework and the key governance focuses of the Board for the financial year.

The full Corporate Governance Statement, which outlines the key aspects of the Company's corporate governance framework and practices for the year ended 30 June 2024, together with the Appendix 4G *Key to Disclosures – Corporate Governance Council Principles and Recommendations* and key governance documents, including the constitution, charters and policies, are available on our website at www.tweglobal.com/investors/corporate-governance.

Board of Directors

Members of the Board

The Board continues to comprise a majority of independent directors.

The Board is committed to ensuring it is comprised of individuals with appropriate skills, experience and diversity to develop and support the Company's vision to be the world's most desirable luxury wine company. The Board utilises a skills matrix to assist in assessing the mix of skills, experience and diversity on the Board, and to identify areas of focus to supplement the mix of skills and experience as part of Board succession planning. Each director annually rates their skills, expertise and experience from 1 to 3 for each competency identified in the Board skills matrix (1 = working knowledge/some exposure, 2 = good understanding/material exposure outside direct accountability, and 3 = expert/significant accountable experience). The self-assessment ratings are subsequently calibrated and included in the Board skills matrix.

The Board considers that its members collectively possess the appropriate competencies and attributes that enable the Board to discharge its responsibilities effectively, contribute to the Company's strategic direction and oversee the delivery of its corporate objectives.

A summary of the Company's Board skills matrix as at 30 June 2024 is included in Table 1.

Table 1 – TWE Board skills matrix as at 30 June 2024

	No. of directors (total of 7)		
Board skills and experience	**Expert**	**Good understanding**	**Working knowledge**
Industry Expertise and experience in the wine or alcohol industry, consumer marketing or supply and distribution	3	4	0
Business strategy development and M&A Demonstrated ability to build, develop, implement and deliver strategic business objectives, including sustainability objectives and/or experience in corporate transactions and joint ventures	6	1	0
Finance and business Proficiency in financial accounting and reporting, corporate finance and internal controls, corporate funding, capital management and associated risks	2	5	0
Governance, regulatory and human capital Expertise identifying and managing legal, regulatory, governance, public policy and corporate affairs issues; and experience in complex human capital and remuneration issues and understanding of the link between strategy, performance and remuneration outcomes	4	3	0
Risk management Experience anticipating and identifying risks and monitoring the effectiveness of both financial and non-financial risk management frameworks and controls; and extensive experience with complex workplace health, safety, environmental and community risks and frameworks	5	2	0
Technology Expertise and experience in the adoption and implementation of new technology, including IT infrastructure; understanding of key factors relevant to digital disruption, including opportunities to leverage digital technologies and cyber security; and understanding the use of data and analytics	0	7	0
Innovation Expertise in and understanding of key factors relevant to innovation; and experience in the creation and delivery of new ways of working and commercial initiatives	2	5	0
International Relevant experience in regions and countries related to the Company's strategy and activities, including USA, Asia and EMEA	6	1	0
Board or senior management experience		**Yes**	**No**
Chairman – Listed company		3	4
CEO/Senior management		7	0

Corporate governance

The Board recognises the importance of cultural, geographic and gender diversity amongst its members, which is reflected in the current representation on the Board, with four non-executive directors based offshore in regions in which the Company operates.

The Board considers that it also has an appropriate mix of director tenure, with its members ranging from newly appointed to longer standing directors. As at 30 June 2024, the average tenure for the Company's non-executive directors was 7.17 years. The Board has clear succession plans in place to ensure continued Board renewal. The length of service of each director is set out in the Directors' Report contained in this Annual Report.

In order to maintain gender diversity in the composition of the Board, in 2019 the Board set itself a measurable objective that at least 30% of its directors will be female going forward. Following Paul Rayner's retirement from the Board on 16 October 2023, women represented 42.8% of the Board. Since Leslie Frank's appointment to the Board on 1 July 2024, women represent 50% of the Board. In order to maintain gender diversity into the future, the Board has set itself a measurable objective to maintain at least 30% of its directors being of either gender going forward.

The Board is committed to ensuring its performance is enhanced through its director induction program and ongoing education. The Board's ongoing education incorporates site visits and presentations given by management and external parties concerning developments impacting, or likely to impact, the business.

Annual director elections

Under the Constitution of the Company, non-executive directors are required to retire and may seek re-election, at least every three years. However, having regard to the global nature of the Company, emerging governance requirements in key markets, the inherent benefits for Board renewal and to ensure accountability of directors, in 2019 the Board adopted a policy pursuant to which all non-executive directors will seek re-election annually.

Role of the Board

The responsibilities of the Board as set out in the Board Charter include the following.

Strategic guidance and effective oversight of management

- Providing input into, and approval of, the Company's corporate strategy, performance objectives, and business plans as developed by management.
- Appointing the CEO and managing succession planning, as well as overseeing changes to the Executive Leadership Team, with a view to ensuring senior management has the appropriate resources to enable implementation of the Company's strategic initiatives.
- Directing, monitoring and assessing the Company's performance against strategic and business plans.
- Approving and monitoring capital management, including major capital expenditure, acquisitions, and divestments.

Risk assessment and management

- Reviewing and evaluating the integrity of the Company's systems of risk management (for both financial and non-financial risks), legal compliance, and internal compliance and control.
- Reviewing and approving the Company's risk appetite statement.

Obligations to stakeholders

- Monitoring and approving external financial and other reporting.
- Monitoring compliance with adopted strategies, procedures and standards, including corporate governance standards.

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Board Committees

Four standing Board Committees have been established to assist the Board in fulfilling its responsibilities.

Board of Directors

Audit & Risk Committee

Oversees: financial reporting, risk management and internal controls, external and internal audit, capital management, and compliance.

Key focuses for F24

- Reviewing the scope of the annual internal and external audit programs and overseeing the conduct and coordination of those programs, as well as assessing the internal and external auditors and their independence.
- Reviewing the group of individuals within the organisation who constitute 'Executive Key Management Personnel.'
- Reviewing significant accounting and financial reporting related matters raised by management and the auditors.
- Reviewing compliance matters across the Company.
- Reviewing whistleblower matters reported across the Company.
- Monitoring the Company's insurance renewal program.
- Reviewing and recommending to the Board for approval the full year and interim financial reports.

Nominations Committee

Oversees: Board composition, performance of the Board, Board Committees and individual directors, as well as succession planning.

Key focuses for F24

- Overseeing Board composition and succession plans including the appointment of John Mullen as Chairman, and the appointment of Leslie Frank as a non-executive director.
- Assessing the competencies of the directors to ensure the appropriate range of skills and expertise amongst Board members.
- Review of the Board skills matrix.
- Overseeing the internally facilitated review of the performance of individual directors, the Board as a whole and the operation of the Board Committees.
- Assessing the independence of directors and suitability of director candidates for re-election.

Human Resources Committee

Oversees: training, development and succession planning for senior management, Company's inclusion, equity and diversity policy, evaluation of senior executive performance and remuneration, and non-executive directors' fees.

Key focuses for F24

- Reviewing remuneration practices and plan documentation to ensure alignment with the Company's DNA and to provide for the attraction, incentives, rewards and retention of key talent.
- Considering and adopting feedback received from stakeholders on the 2023 Remuneration Report.
- Advising the Board on the departure and replacement of the Company's CFO.
- Reviewing and approving the fixed remuneration and incentive compensation arrangements for senior executives, including reviewing the attainment of short term incentive and long term incentive performance conditions.
- Reviewing and recommending to the Board for approval the Company's F23 Remuneration Report.
- Approving the terms of engagement of the remuneration consultant.
- Overseeing the Company's inclusion, equity and diversity initiatives and progress against targets.
- Overseeing and monitoring the Company's culture.

Wine Operations & Sustainability Committee

Oversees: winemaking operations in the various regions in which the Company operates, expansion opportunities in winemaking areas, supply chain sustainability and the Company's sustainability reporting.

Key focuses for F24

- Reviewing and monitoring progress against the Company's sustainability targets and the implementation of initiatives to reach these targets.
- Overseeing the implementation of mandatory climate reporting standards.
- Monitoring environmental business risks and mitigations including relating to climate and water.
- Overseeing Company initiatives to ensure industry and community engagement.
- Reviewing workplace health, safety and wellbeing performance and initiatives.
- Overseeing wine asset management and strategy.
- Monitoring global vintage variations and outcomes.

Corporate governance

Governance policies

The Company has a number of governance policies which guide how it does business, including:

- Code of Conduct, which recognises that the Company's reputation is one of its most valuable assets, founded on the ethical and responsible behaviour of the people who represent the Company;
- Disclosure Policy, which recognises the importance of timely disclosure of the Company's activities to shareholders and market participants so that trading in the Company's shares takes place in an informed market;
- Anti-bribery and Corruption Policy, which supports the Company's commitment to countering bribery and corruption in all forms and confirms that the Company does not tolerate any form of bribery and corruption;
- Whistleblower Policy, which promotes and supports the Company's culture of honest and ethical behaviour, by encouraging the reporting of potential misconduct or any other matter that may contravene the Company's Code of Conduct or other policies or the law;
- Potential Conflicts of Interest Policy, which guides the disclosure and management of potential conflicts of interest;
- Share Trading Policy, which prohibits trading in the Company's shares by directors and employees if they are in possession of 'inside information' and provides further restrictions on trading by 'Restricted Persons,' including prohibiting trading during blackout periods, and requiring prior approval before trading at any other time; and
- Risk Management Policy, as well as a Risk Management Framework, which provide guidance and direction on the management of risk in the Company and state the Company's commitment to the ongoing development of a strategic and consistent companywide approach to risk management, underpinned by a risk aware culture.

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Code of Conduct reporting

At TWE, we believe each of us has a responsibility to do the right thing. Our Code of Conduct outlines our expectations in how we do business. Like everything we do at TWE, our Code is underpinned by our DNA. Through our DNA, we seek to nurture a physically and psychologically safe environment where our people have the confidence and support to speak up if they see or experience any inappropriate behaviour.

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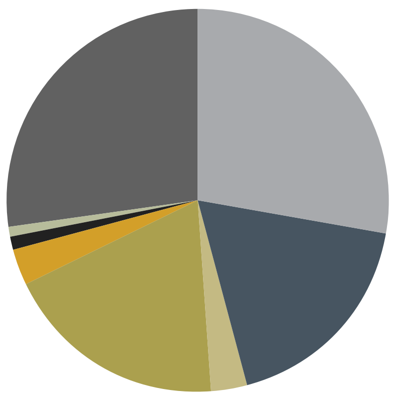
We appreciate our employees for speaking up about their concerns and encourage everyone to do the same. Processes are in place to ensure that reports of inappropriate behaviour are logged, investigated and that appropriate action is taken. Measures are in place to ensure complaints are treated confidentially, consistent with legislative protections.

Investigations into HR compliance matters are conducted by the People and Culture team or external third parties as appropriate. Matters are reported to the HR Committee biannually.

Breaches of governance policies and other core policies are reported to the Audit and Risk Committee including a high level overview of Health and Safety and HR Compliance matters. Details of Health and Safety performance are reported to the Board and the Wine and Operations Sustainability Committe and are published in our annual Sustainability Report.

People Related Compliance

During F24, a total of 98 matters were reported, representing 3.5% of our workforce. Of these, four were managed under the Whistleblower Policy. Of the reported people-related matters, 71 (72%) were fully or partially substantiated:



- BREACH OF POLICY, 27
- BULLYING, HARASSMENT OR WORKPLACE MISCONDUCT, 18
- FRAUD, 3
- PERFORMANCE, 18
- SEXUAL HARASSMENT, 3
- TERMINATION OF EMPLOYMENT, 1
- THEFT OF COMPANY INFORMATION,1
- UNSUBSTANTIATED, 27

The most common actions taken in response to substantiated matters include those listed below:

- 44% resulted in end of employment.
- 31% resulted in formal warning (including final written warning).
- 14% resulted in coaching, counselling or training intervention.

This information is provided as part of our ongoing commitment to transparency, accountability and sustainable performance. We are committed to improving our performance and our reporting year on year. We welcome feedback from our stakeholders on how we may continue to build and preserve trust in our business consistent with our vision to be the world's most desirable luxury wine company.

Directors' report

The directors of Treasury Wine Estates Limited (the Company) present their report together with the financial report for the Company and its controlled entities (the Group) for the financial year ended 30 June 2024 and the auditor's report.

The following sections of the Annual Report are part of, and are to be read in conjunction with, this Directors' Report:

- Operating and Financial Review (OFR)
- Board of Directors
- Remuneration Report

Principal activities

The principal activities of the Group during the financial year were viticulture and winemaking, and the marketing, sale and distribution of wine.

Statutory information

The Group's consolidated financial statements have been presented for the financial year ended 30 June 2024 and appear on pages 100 to 154.

Directors

The directors of the Company during the financial year and up to the date of this report are:

	Date of appointment
Paul Rayner	9 May 2011[1]
Ed Chan	1 September 2012
Garry Hounsell	1 September 2012
Lauri Shanahan	1 November 2016
Colleen Jay	1 April 2018
Antonia Korsanos	1 April 2020
Timothy Ford (Chief Executive Officer)	1 July 2020
John Mullen	1 May 2023
Leslie Frank	1 July 2024

Particulars of the current directors' qualifications, experience and Board Committee responsibilities are detailed in the Board of Directors section of this Annual Report.

Directors meetings

The number of Board and Board Committee meetings and the number of meetings attended by each of the directors of the Company during the financial year are listed below:

Meetings held during 2024 financial year

	Board meetings[2]		Audit and Risk Committee meetings[2]		Human Resources Committee meetings[2]		Nominations Committee meetings[2]		Wine Operations & Sustainability Committee meetings[2]		Additional meetings[3]
	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Attended
John Mullen[4]	9	9	–	–	–	–	2	2	–	–	5
Tim Ford	9	9	–	–	–	–	–	–	–	–	4
Ed Chan	9	9	4	4	–	–	–	–	–	–	–
Garry Hounsell	9	8	4	4	6	6	5	5	4	4	–
Colleen Jay	9	9	–	–	6	6	–	–	4	4	–
Antonia Korsanos	9	9	4	4	–	–	5	5	–	–	6
Lauri Shanahan	9	9	–	–	6	6	5	5	–	–	–
Paul Rayner[1]	3	3	–	–	–	–	3	3	–	–	1

1. Paul Rayner retired from the Board on 16 October 2023.
2. Shows the number of meetings held and attended by each director during the period that the director was a member of the Board or Committee. Directors who are not members of Board Committees do attend Committee meetings from time to time. The above table reflects the meeting attendance of directors who are members of the relevant Committee(s).
3. Reflects the number of additional formal meetings attended during the financial year by each director, including Committee meetings (other than Audit and Risk Committee, Human Resources Committee, Nominations Committee or Wine Operations and Sustainability Committee) where any two directors are required to form a quorum.
4. John Mullen was appointed Chair of the Nominations Committee on 16 October 2023.

Directors' report

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Directors' interests in share capital
The relevant interest of each director in the share capital of the Company as at the date of this report is disclosed in the Remuneration Report.

Company Secretary
Alexandra Lorenzi BA, LLB (Hons) was appointed Company Secretary on 3 July 2023. Ms Lorenzi is an experienced corporate lawyer with deep commercial, legal, and governance expertise. Ms Lorenzi has been a member of the TWE team since April 2020. Prior to joining TWE, Ms Lorenzi was a Senior Associate at leading global law firm Herbert Smith Freehills, where she advised senior management and Boards of Australia's largest listed companies.

Whilst Ms Lorenzi was on maternity leave between 3 July 2023 and 6 December 2023, Christine Harman BA, LLB (Hons) MBA was appointed to act in the role of Company Secretary.

Dividends
Interim dividend: The Company paid an interim dividend of 17 cents per ordinary share on 3 April 2024. The dividend was fully franked.

Final dividend: Since the end of the financial year, the directors have approved a final dividend of 19 cents per share, 70% franked and payable on 1 October 2024.

The record date for entitlement to this dividend is 29 August 2024.

In summary:

	Dividend per share	$M
Interim dividend paid on 3 April 2024	17 cents	$137.9
Final dividend payable on 1 October 2024	19 cents	$154.2
Total	36 cents	$292.1

The Company paid shareholders a final dividend in respect of the 2023 financial year of $122.7 million.

Review and results of operations
Information on the operations and financial position for TWE is set out in the OFR accompanying this Directors' Report.

Significant changes in the state of affairs
During the financial year the Company's state of affairs was significantly impacted by the acquisition of DAOU Vineyards, the removal of tariffs on Australian wine imports into China and changes to the operating model for the Company's Premium brand portfolios. The nature of these impacts has been discussed in various ASX announcements made by TWE. Further information regarding these impacts on TWE can be found in the OFR, in this Annual Report.

Business strategies, prospects and likely developments
The OFR sets out information on TWE's business strategies and prospects for future financial years and refers to likely developments in the Company's operations and the expected results of those operations in future financial years.

Events subsequent to balance date
Since the end of the financial year, the directors approved a final 70% franked dividend of 19 cents per share. This dividend has not been recognised as a liability in the consolidated financial statements at 30 June 2024.

On 6 August 2024, the Group announced that it will seek to divest its Commercial brand portfolio. There is no impact to the classification or carrying value of assets and liabilities as of 30 June 2024.

The directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Sustainability
Matters of environmental and social significance to the Group are primarily addressed within the Group's sustainability strategy. This strategy addresses the material topics for the Group, and the Executive Leadership Team actively monitors progress against our strategic roadmaps and public targets.

Further detail on the Group's sustainability strategy, initiatives and achievements are detailed in the Sustainability section of this Annual Report and the Company's most recent Sustainability Report.

Environmental regulation
The Group is subject to various environmental laws and regulatory frameworks governing energy, water, waste and greenhouse gas reporting for its operations globally.

Management of environmental issues and risks is a core element of the work program delivered by sustainability and technical teams and is detailed in the relevant material business risks outlined in the OFR.

The Group recognises the direct link between effective management of its environmental impacts and its business success. To this end, the Group's environment policies, procedures and practices are designed to ensure that the Group maintains focus on resource efficiency and continuous improvement, and that environmental laws and permit conditions are complied with. Compliance with these regulatory and operational programs has been incorporated into relevant business practices and processes.

The Group monitors its operations through a Health, Safety and Environment (HSE) Management System, overlaid with a risk management and compliance system overseen by the Audit and Risk Committee. Although the Group's various operations involve relatively low inherent environmental compliance risk, matters of non-compliance are identified from time to time and are corrected. Where required, the appropriate regulatory authority is notified.

Under the compliance system, the Audit and Risk Committee receives six-monthly reports detailing any matters involving non-compliance and potential non-compliance. These reports also detail the corrective action that has been taken.

Under the *National Greenhouse and Energy Reporting Act 2007* (Cth) (NGER Act), the Company is required to report on its Australian operations that exceed specific greenhouse gas emissions or energy-use thresholds. The Company submitted its annual NGER Act report by the prescribed reporting date of 31 October 2023.

During the financial year, the Group has not been convicted of any significant breaches of environmental regulation.

Proceedings on behalf of the company
There are no proceedings brought or intervened in, or applications to bring or intervene in proceedings, on behalf of the Company by a member or other person entitled to do so under section 237 of the *Corporations Act 2001* (Cth).

Non-audit services and auditor independence
KPMG is the Company's auditor, appointed with effect from 23 October 2013.

The Group may decide to engage the auditor, KPMG, on assignments additional to their statutory audit duties where such services are not in conflict with their role as auditor and their expertise and/or detailed experience with the Company may allow cost efficiencies for the work.

The Board has considered the position and, in accordance with advice received from the Audit and Risk Committee, is satisfied that the provision of non-audit services by KPMG is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* (Cth). The Board also notes that:

- the engagements for all non-audit services have been reviewed by the Chief Financial and Strategy Officer, and where relevant, the Chair of the Audit and Risk Committee in accordance with the Committee's rules of engagement regarding the provision of non-audit services by the External Auditor contained in the Committee Charter to ensure they do not impact the actual or perceived impartiality and objectivity of KPMG; and
- none of the services provided by KPMG undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the financial year, the fees paid or payable for non-audit services provided by KPMG and its related practices totaled $185,672 . Amounts paid or payable for audit and non-audit services are disclosed in note 32 of the Financial Statements.

A copy of the auditor's independence declaration is set out on page 72 and forms part of this report.

Indemnities and insurance
Rule 40 of the Company's Constitution provides that the Company must, to the extent permitted by and subject to the *Corporations Act 2001* (Cth), indemnify each officer, director and Company Secretary of a Group company in respect of any liability, loss, damage, cost or expense incurred or suffered or to be incurred or suffered by the officer, director or Company Secretary in or arising out of the conduct of any activity of the relevant Group company or the proper performance of any duty of that officer, director or Company Secretary.

Each director of Treasury Wine Estates Limited has entered into a Deed of Indemnity, Insurance and Access (Deed) with the Company. No director or officer of the Company has received a benefit under an indemnity from the Company during the period ended 30 June 2024 or to the date of this report.

In accordance with the Company's Constitution and the Deed, the Company has paid a premium in respect of an insurance contract that covers directors and officers of the Group companies.

Rounding
Treasury Wine Estates Limited is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and, except where otherwise stated, amounts in the statutory financial statements forming part of this report have been rounded off to the nearest one hundred thousand dollars or to zero where the amount is $50,000 or less.

This report is made on 15 August 2024, in accordance with a resolution of the directors.

John Mullen
Chairman

Tim Ford
Chief Executive Office

Auditor's independence declaration

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Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Treasury Wine Estates Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Treasury Wine Estates Limited for the financial year ended 30 June 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Penny Stragalinos
Partner
Melbourne
15 August 2024

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F24 remuneration report

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Contents

Executive remuneration

Introduction from the Chair of the Human Resources Committee

Dear Shareholders,

On behalf of the Human Resources Committee and Board, I am pleased to present our F24 remuneration report for which we will seek your approval at our Annual General Meeting in October 2024. The remuneration report is designed to demonstrate strong alignment between our Company's performance, our executive reward framework, our strategic objectives and shareholder interests.

The 'strike' against the F23 remuneration report

In light of the first 'strike' at the 2023 AGM in relation to the F23 remuneration report, we have invested considerable time reviewing our stakeholders' feedback (both positive and negative) on the Board's decision to adjust the ROCE outcome under the F21 Long Term Incentive Plan (LTIP). We have also focused on our disclosures relating to the Short Term Incentive Plan (STIP), and other areas of concern. Section 1 of the Report sets out the key issues raised by some of our investors and the way in which we have sought to address those issues.

In summary:

- Whilst the Board regards the decision to adjust the ROCE outcome under the F21 LTIP as warranted and in the best interests of all stakeholders, it has affirmed its commitment to remove any incremental benefit due to the removal of tariffs on Australian wine into China to ROCE and EPS outcomes under the F22 and F23 LTIP grants. The targets associated with these grants were set in expectation that the tariffs on Australian wine into China would remain in place. The Board maintains discretion to adjust hurdles or vesting outcomes to ensure that executives are neither penalised nor provided with a windfall benefit and now that the tariffs have been removed, the Board will ensure consistency in any application of discretion.
- We have greatly enhanced the transparency of our STIP disclosures, including not only the disclosure of retrospective financial targets for the F24 STIP and greater clarity on how overall F24 STIP outcomes for executives were determined, but notably the disclosure of prospective financial targets for the F25 STIP.
- We have reviewed the structure of our STIP for F25 and removed the multiplying elements, replacing them with a single, weighted Scorecard to simplify the structure and enhance transparency, while ensuring continued alignment with value creation for our shareholders.

We will continue to engage with stakeholders and look forward to receiving further feedback on our F24 remuneration report as we work to improve our remuneration framework and disclosures.

F24 performance

We are very pleased with the overall momentum of the business and the progress toward delivering our long term strategies under our CEO Tim Ford's leadership. Management have delivered impressive results in F24, with EBITS of $658.1m, a 12.8% increase on the prior year, and a 13.1% increase to Net Sales Revenue (NSR) to $2,739.8m. NSR per case also increased by 14.2% during F24, driven by the ongoing premiumisation of TWE's portfolio toward luxury wine. TWE delivered Earnings per Share (EPS) of 52.3 cents per share (before material items and SGARA), up slightly from F23. When excluding the impact from the acquisition of DAOU, ROCE increased from 11.3% in F23 to 12.0% in F24 (when impacts are included, ROCE is 10.9%). EBITS margin declined slightly by 0.1 percentage points to 24.0%.

With a solid foundation in place, we have great confidence in the ambition, strategy and executional discipline of our leadership team that will enable TWE to deliver sustainable growth and outperform over the long-term.

F24 executive remuneration outcomes

In F24, all executives received a 3% increase to fixed remuneration. The Board also approved a 3% increase to Board Chair and Member base fees and a moderate increase to Committee fees effective from 1 October 2023. F24 STIP outcomes reflect the level of business performance and range between 62%-64% of maximum opportunity. As outlined in the report, as a result of the impairment within Treasury Premium Brands (TPB), the Board has applied discretion to reduce the F24 STIP multiplier for the CEO.

The F22 LTIP vested at 20% of the total target grant value. ROCE performance was below threshold resulting in nil vesting for this component of the LTIP. The Board elected not to adjust or apply discretion to the ROCE component and the vesting of 20% was based solely on relative Total Shareholder Return (rTSR) outcomes.

F24 activities of the Human Resources Committee

We are confident that our executives have set the Company up exceptionally well for long-term success and are positive on our outlook across key markets as a global leader in luxury wine. We remain focused on continuing the strong momentum of growth in our luxury portfolios as evidenced through our acquisition of DAOU and the re-establishment of Penfolds in the China market following the removal of tariffs, while growing our premium portfolio through innovation.

TWE's remuneration practices are designed to attract, motivate and retain the high-calibre talent needed to deliver sustainable results that out-perform over the long term. As the Chair of the Committee, during F22 and F23 I consulted considerably with investors and proxy advisors to discuss the challenges with ensuring remuneration outcomes reflect an alignment between pay, TWE's strategic objectives, financial performance and shareholder returns given the cumulative and continuing impacts of the pandemic, supply chain disruptions and the tariffs imposed by China.

During F24, we further reviewed the incentive plans for executives based on a wide range of feedback provided by our stakeholders and have made changes to STIP for executives from F25. Beyond remuneration, the Committee invested significant time on oversight of other critical, Company-wide Human Resources matters, including the development and introduction of our new company purpose, vision and strategic pillars. Culture, diversity and inclusion, talent development and succession, and employee engagement remain a key focus of the Committee. Our overall objective is to utilise these levers collectively and holistically to ensure we attract, retain and motivate the highest calibre talent across the organisation and consistently deliver on the Company's objectives over the near and longer term. Accordingly, we welcome any feedback and comments you may have on these topics generally, and more specifically on the enclosed Remuneration Report.

Yours sincerely,

Lauri Shanahan
Human Resources Committee Chair

F24 remuneration report (audited)

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1. Key messages and changes for F25

This report details the F24 remuneration framework and outcomes for the Key Management Personnel (KMP) of the Company which includes non-executive directors. In this report, 'executives' refers to executives identified as KMP excluding the non-executive directors. It is prepared in accordance with the requirements of the Corporations Act 2001 (Cth) and all references are to Australian dollars ($) unless otherwise specified.

a) KMP

Executive KMP at TWE during F24 are as follows:

Executives (as at 30 June 2024)

Current KMP		
TM Ford	Chief Executive Officer (CEO)	Full Year
SR Boxer	Chief Financial and Strategy Officer (CFSO)	1 November 2023 - 30 June 2024
SR Boxer	Chief Strategy and Corporate Development Officer (CSCDO)	1 July 2023 - 31 October 2023
Former KMP		
MJ Young	Chief Financial Officer (CFO)	Ceased 31 October 2023

From 1 November 2023, Matthew Young ceased as an Executive KMP and Stuart Boxer, previously Chief Strategy and Corporate Development Officer, was appointed as Chief Financial and Strategy Officer. Mr Young ceased employment on 12 January 2024.

b) Remuneration framework changes

At our AGM for the financial year ended 30 June 2023, 46.07% of the votes cast were against the F23 remuneration report (a first 'strike'), based predominately on stakeholder disapproval of the Board's decision to adjust the ROCE outcome for the F21 Long Term Incentive Plan (LTIP). The Board is committed to ensuring executive remuneration outcomes are aligned to our shareholders and providing increased transparency. During F24, we have undertaken an extensive review of our remuneration framework and have made changes to our remuneration structures and disclosures moving forward.

In particular, the Board is committed to providing increased transparency within our disclosures on STIP targets and outcomes. The F24 remuneration report contains a number of areas where we have provided enhanced disclosure including:

- inclusion of retrospective financial targets for the F24 STIP;
- greater clarity on how overall STIP outcomes for executives were determined; and
- inclusion of prospective financial targets for the F25 STIP.

c) Short Term Incentive Plan (STIP)

F24 STIP outcomes

As in previous years, targets set for F24 STIP included stretch goals such as driving growth in other markets to mitigate the ongoing impact of severely reduced shipments to Mainland China and a focus on delivering quality growth in earnings. The Company has achieved strong performance against the F24 STIP targets. The continued focus on luxury portfolio growth within Penfolds and Treasury Americas, including the successful contribution of DAOU in the second half, has enabled strong EBITS and NSR growth.

As a result of the Company's performance in F24, the F24 Balanced Scorecard multiplier for executives is 0.966x. Whilst the Company has had a strong year and the Board was very pleased with Management's performance, as part of closing out the year it was decided to write down within Treasury Premium Brands (TPB) the value of goodwill of a number of TPB's brands. This resulted in a non-cash impairment of $290m (post-tax) being recognised as at 30 June 2024. At the same time, the Company announced its intention to divest its commercial wine brand portfolio. While the Board recognises Management's efforts with regards to these legacy brands, it is still necessary to acknowledge that such an impairment has had some impact on shareholder value. For this reason, the Board has decided the following:

- Tim Ford as CEO has had his STIP payment reduced by 10 percentage points to 110.8% of target for the F24 year;
- STIP payments for Senior Divisional TPB Management were commensurate with the performance of the division including the impairment; and
- With respect to ROCE calculations for ongoing LTIP, for measurement purposes the value of the impairment will be added back to the capital employed for three years to ensure there are no windfall gains delivered to Management going forward.

The F24 STIP outcomes are 110.8% of fixed remuneration for Mr Ford and 77.1% of fixed remuneration for Mr Boxer. Mr Young did not receive a STIP award for F24.

F25 STIP

We have also made a number of changes to the F25 STIP for executives. The multiplying elements of the STIP outcome have been removed and replaced with a single, weighted Scorecard. The company measures in the Scorecard have been simplified to 3 key financial health measures – EBITS, NSR and Cash Conversion. The Board believes that these measures are key to driving top-line and bottom-line growth, ensuring executives are managing cash flow effectively, and providing the best return for our shareholders. These company measures make up 50% of the total STIP award an executive can receive. The remaining 50% of any STIP award is based on achievement of individual Key Performance Objectives (KPOs). These KPOs are a mixture of strategic future value creation objectives (which include further quantitative and financial measures), as well as specific targets relating to Environmental, Social and Governance, Health, Safety and Wellbeing and Leadership, Inclusion and Engagement. We recognise that 'how' objectives are achieved is also important therefore demonstration of the Company's DNA is also a factor in determining outcomes of the Leadership, Inclusion and Engagement KPOs. The target and maximum achievable STIP award for each executive have not changed with the CEO eligible for a maximum STIP outcome of 180% of fixed remuneration and the CFSO eligible for a maximum STIP outcome of 120% of fixed remuneration.

F25 STIP Measures

Measure	F24 Actual	Threshold[1]	Target[1]	Maximum[1]	Weighting
Global EBITS	$658.1m	+13% vs F24	$793.6m	+28% vs F24	**25%**
Net Sales Revenue	$2,739.8m	+7% vs F24	Low double-digit growth	+20% vs F24	**15%**
Cash conversion	94.6%	75%	80%	85%	**10%**
Individual KPOs • Strategic and Future Value Creation objectives, including quantitative and financial measures where appropriate that will drive value accretion. These will be tailored for each role.					**25%**
Individual KPOs • Leadership, Inclusion and Engagement objectives, including demonstration of TWE DNA • Environmental, Social, Governance and Health, Safety and Wellbeing objectives					**25%**

1. Targets are based on and adjusted for constant currency

d) LTIP

F22 LTIP vesting

Whilst the Board regards the decision to adjust the ROCE outcome in the F21 LTIP as warranted and in the best interests of all stakeholders, it has committed to ensuring there are no unintended advantages for executives for LTIP allocations made after F21, particularly the F22 and F23 LTIP grants, which were set with the expectation that the tariffs on Australian wine into China would remain in place through the relevant performance periods. The Board maintains discretion to adjust hurdles or vesting outcomes to ensure that executives are neither penalised nor provided with a windfall benefit arising from material, non-recurring items and now that the tariffs have been removed, the Board will ensure consistency in any application of discretion.

The Company updated the market in March 2024 that the incremental EBITS contribution from the re-establishment of TWE's Australian wine in China would be minimal through the remainder of F24, with increased shipments of Penfolds entry-level Luxury tier wines to be offset by the step up in overhead costs onshore.

The F22 LTIP grant, covering a performance period of 1 July 2021 to 30 June 2024, was offered to our CEO and management team, including our KMP, on the following terms: 25% of the Performance Rights were subject to achievement of a rTSR performance hurdle and 75% were subject to achievement of a ROCE performance hurdle. ROCE performance was below threshold resulting in nil vesting for this component of the LTIP and no discretion was applied by the Board. Performance for rTSR was assessed by an independent service provider, Orient Capital, and the Group's rTSR performance was at the 65th percentile of its peer group, driving an outcome of 80% vesting for this component of the LTIP. As a result, total vesting of the F22 LTIP was 20% of the target grant value.

F24 remuneration report (audited)

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F25 LTIP grants

The weighting of the three metrics for the F25 LTIP will be the same as F24 - relative TSR weighted at 20%, ROCE weighted at 40%, and EPS weighted at 40% of the plan. The following targets have been set for the F25 LTIP. The Board considers that the Company's F25 targets are realistic but challenging and an appropriate level of performance is required to justify full vesting of each portion of the LTIP award.

While the baseline was reset to reflect the impact of the DAOU acquisition, ROCE growth rates for the F25 LTIP are the same as the F24 LTIP and will be measured against the F24 ROCE base of 10.9% (including impacts of DAOU). The acquisition of DAOU has resulted in a short-term decline in ROCE, however the Company expects it to return to previous levels in the medium term.

ROCE will vest according to the following schedule.

ROCE baseline 10.9% (F24)	% points ROCE growth	ROCE result	% of performance rights subject to ROCE measure which vest
	Less than 1.0	Less than 11.9%	0%
	1.0 to 1.7	11.9% to 12.6%	35-75%
	1.7 to 2.1	12.6% to 13.0%	75-100%
	At or above 2.1	At or above 13.0%	100%

EPS Compound Annual Growth Rate (CAGR) will vest according to the following schedule.

EPS vesting schedule	EPS[1] CAGR %	% of performance rights subject to EPS measure which vest
	Less than 6%	0%
	6% to 10%	35-100%
	At or above 10%	100%

The relative TSR vesting schedule for the F25 LTIP is unchanged from F24.

Relative TSR vesting schedule	Relative TSR ranking	% of performance rights subject to relative TSR measure which vest
	Below 50th percentile	0%
	50th to 60th percentile	50-70%
	60th to 75th percentile	70-100%
	At or above 75th percentile	100%

1 Earnings per Share before material items and SGARA

As in prior years, the peer group for relative TSR comprises companies within the S&P/ASX 200 Index, excluding companies from the energy, metal and mining, real estate and finance sectors.

The Board maintains discretion to adjust hurdles or vesting outcomes to ensure that executives are neither penalised nor provided with a windfall benefit arising from material, non-recurring items.

Offers of performance rights under the F25 LTIP are subject to the satisfaction of performance conditions, as outlined on the previous page, over the performance period from 1 July 2024 to 30 June 2027. LTIP awards to KMP are at the absolute discretion of the Board. For the F25 LTIP the following awards will apply:

- Mr Ford: opportunity of 175% of fixed remuneration at maximum, 66.5% at threshold, 0% below threshold
- Mr Boxer: opportunity of 150% of fixed remuneration at maximum, 57% at threshold, 0% below threshold

The Company will seek shareholder approval at the 2024 Annual General Meeting for the F25 LTIP offer to the CEO.

e) Fixed remuneration

TWE's global platform continues to experience significant growth, increasing the responsibility and complexity of executive roles. Moreover, the executive team has been crucial to ensuring the successful navigation of the tariffs imposed on Australian wine by MOFCOM. The reward, retention and development of this team is a key consideration of the Board.

As reported in the Company's F23 remuneration report, Mr Ford's, Mr Young's and Mr Boxer's remuneration were increased by 3%, all effective from 1 September 2023. Mr Boxer received a further increase to $900,000 per annum effective 1 November 2023 to reflect the responsibilities of his new role. For F25, the Board has approved a further 3% increase to Mr Ford's remuneration and a 3% increase to Mr Boxer's remuneration, effective 1 September 2024.

f) NED fees

There will be no increases to NED fees in F25.

F24 remuneration report (audited)

2. Remuneration strategy and framework

a) Remuneration strategy

TWE's remuneration strategy sets the direction for the remuneration framework and drives the design and application of remuneration programs across the Company, including for executives. The strategy aims to attract, retain and reward the best talent while building a performance-oriented culture. It sets out principles and processes to ensure remuneration practices attract and motivate the highest calibre employees to achieve TWE's business and financial objectives.

The remuneration strategy is designed to achieve 5 key objectives:

1. attract, motivate and retain the highest calibre executives;
2. provide incentives and rewards that drive both our short and long-term strategic objectives;
3. directly align the interests and outcomes of our executives with our shareholders;
4. create a performance driven culture; and
5. deliver results that reinforce our culture and are sustainable over the long-term.

The Board believes that remuneration of executives should include a fixed component and at-risk or performance-related components, including both short-term and long-term incentives. Executive and stakeholder interests are aligned through share ownership. The weighting of the at-risk remuneration components for each executive reflects the Board's commitment to performance-based reward. Section 3 of this report describes performance outcomes over the past five years, and how they have impacted remuneration outcomes.

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b) Remuneration framework

Remuneration strategy

Attract, motivate and retain the highest calibre executives	Drive both our short and long-term strategic objectives	Align the interests and outcomes of our executives with our shareholders	Create a performance driven culture	Deliver results that reinforce our culture and are sustainable over the long-term

F24 remuneration framework

Components	Performance measures	Details
Fixed Remuneration (FR) *Base Salary, superannuation and other benefits* Further information is included in section 2 (d)	Considerations in setting fixed remuneration include: • External market benchmarking against the ASX21-75 peer group, and other industry and competitive data • Internal equity • The executive's skills, experience and responsibilities • Complexity and location of the role • The executive's performance	Fixed remuneration is reviewed annually. The Company looks at industry and general market peer groups, with key criteria applied such as market capitalisation and revenue. Both Australian and global peers are considered, reflecting the complexity of roles in a global business and the Company's international lens on talent.
Short-Term Incentive Plan (STIP) *An annual award of cash and/or equity may be received based on:* *Group, team and individual financial, strategic and operational performance, measured by way of the Balanced Scorecard; and* *Agreed individual key performance objectives (including the TWE DNA) measured by way of the Individual Performance Multiplier.* Further information is included in section 2 (e)	The STIP Balanced Scorecard is consistent across all executives and includes measures such as global EBITS, quality growth in sales volume, brand contribution margin, cash conversion and ROCE. The Balanced Scorecard can drive a multiplier outcome between 0 and 1.2. The Individual Performance Multiplier is derived from the level of each Executive's achievement of individual Key Performance Objectives (KPOs) and demonstration of the Company's DNA. The Individual Performance Multiplier can drive a result of 0 to 1.5.	The annual STIP opportunity is at the absolute discretion of the Board. In F24, the following STIP opportunities applied: Target: • Executives 66.5% of FR • CEO 100% of FR Maximum: • Executives 120% of FR • CEO 180% of FR One-third of the STIP award for executives is deferred into Restricted Equity in the Company. Of this Restricted Equity, one-half (i.e. one-sixth of the overall STIP award) will vest after one year, and one-half (i.e. one-sixth of the overall STIP award) will vest after two years.
Long-Term Incentive Plan (LTIP) *The LTIP is designed to reward executives for long-term performance and value creation for shareholders.* *It is delivered in the form of Performance Rights that vest at the end of the performance period if the performance and vesting conditions are met. The performance period is a 3-year period aligned with TWE's financial year (1 July to 30 June).* Further information is included in section 2 (f)	Relative Total Shareholder Return (rTSR) (20% weighting) Relative to S&P/ASX 200 Index, excluding companies from the energy, metal and mining, real estate and finance sectors. Return on Capital Employed (ROCE) Growth (40% weighting). Calculated as EBITS divided by average capital employed (at constant currency). Capital employed is the sum of average net assets (excluding SGARA) and average net debt. Earning per Share (EPS) Compound Annual Growth Rate (CAGR) (40% weighting) Basic EPS is calculated as Net Profit (or Loss) After Tax (NPAT) excluding SGARA and material items, divided by the weighted average number of shares.	LTIP awards are at the absolute discretion of the Board. In F24, the following awards applied: • CEO 175% of FR • Other executives 150% of FR The number of performance rights allocated is based on face value using the 90-day Volume Weighted Average Price (VWAP) preceding 1 July at the start of the performance period. If the performance conditions are met at the end of the three-year performance period, rights vest and executives receive a share for each vested performance right. No amount is payable on the vesting of the performance rights or on their conversion into shares. Any rights that do not vest, lapse.

F24 remuneration report (audited)

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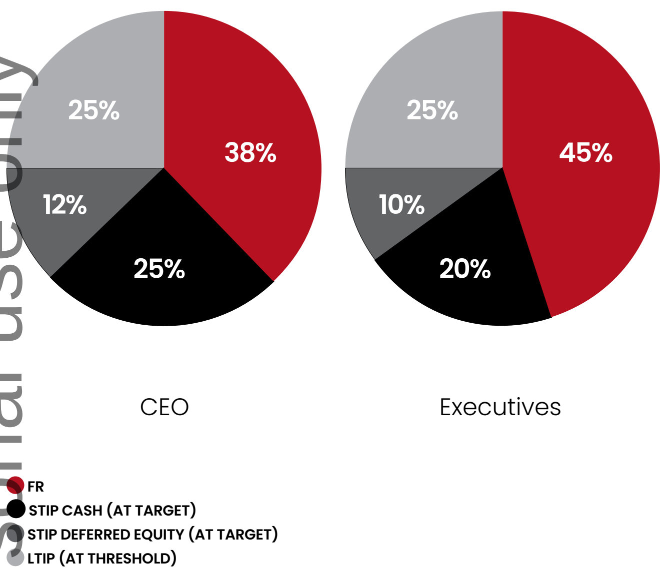
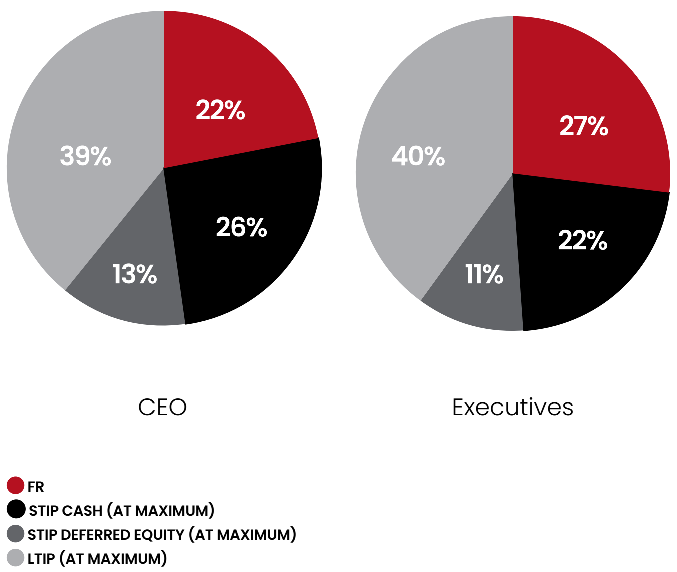
c) Total remuneration

Executive total remuneration (TR) comprises fixed remuneration (FR) and variable ('at-risk') remuneration in the form of STIP and LTIP. The diagram below illustrates the mix of remuneration components for current executives in F24, firstly as a percentage of total remuneration (TR) at target, and then as a proportion of total maximum potential remuneration.

Total remuneration with STIP at Target and LTIP at threshold:



Total remuneration with both STIP and LTIP at maximum:



d) Fixed remuneration

For Australian-based executives, total fixed remuneration is inclusive of superannuation and other benefits.

Fixed remuneration is reviewed annually and set at a market-competitive level reflective of the executive's skills, experience and responsibilities, and considering complexity of role, location and performance. Any changes to fixed remuneration are effective from 1 September. The Company looks at industry and general market peer groups, with key criteria applied such as market capitalisation and revenue.

Both Australian and global peers are considered, reflecting the complexity of roles in a global business and the Company's international lens on talent. When comparing executives' remuneration to the market, the ASX 21-75 peer group is used and peer groups are reviewed regularly for accuracy and alignment with the nature of the business.

e) Short-term incentive plan (STIP)

The STIP drives an annual at-risk component of remuneration and links business results for the fiscal year, executive performance and reward. The STIP uses a balanced scorecard approach for company performance measures whilst the individual performance for each executive is derived from the level of each executive's achievement of individual Key Performance Objectives (KPOs).

The STIP Balanced Scorecard measures are designed to support the financial health of the organisation and shareholder return in terms of dividends and share price - this year and over time. Hurdles and stretch targets are set for each metric and the sustainability of growth and returns is non-negotiable.

The individual KPOs include a combination of strategic and operational objectives specific to each executive (50%), and objectives relating to leadership, inclusion, equity and diversity, and wellbeing and sustainability (50%). These KPO measures include a combination of quantitative and qualitative measures. Demonstration of the Company's DNA relates to specific behaviours of each executive and how the KPOs were achieved and is weighted equally with the individual KPOs. The Board believes that the KPOs set for executives for F24 were appropriately stretch goals to pivot the business and mitigate impacts by driving growth in other markets and focusing on delivering quality growth in earnings.

As outlined in section 1 c), following feedback from our stakeholders, we undertook a review of our STIP framework and have made several changes to address the feedback. These changes will take effect from the F25 LTIP, noting that the calculation of any STIP award for an executive for F24 is unchanged from previous years and is dependent on the following key factors:

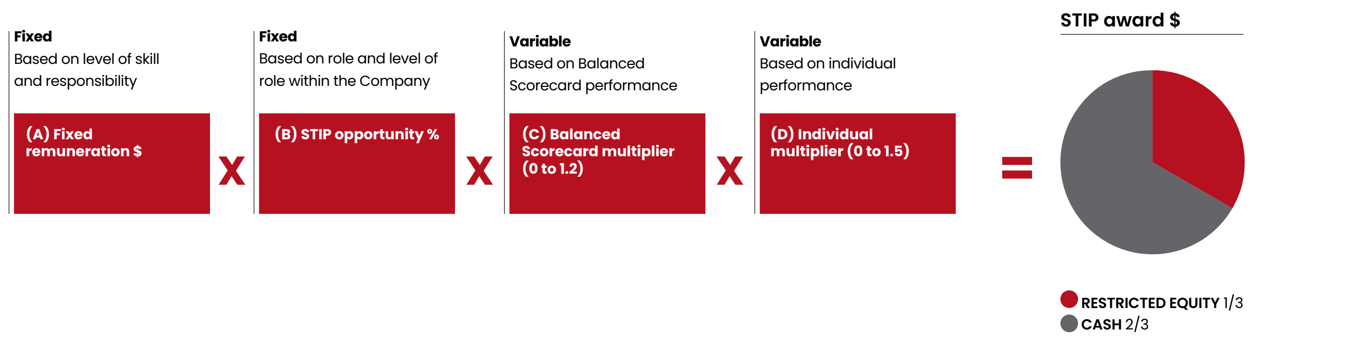
A) Fixed Remuneration as at 30 June of the performance year;

B) Individual short-term incentive plan (STIP) opportunity: this is expressed as a percentage of Fixed Remuneration;

C) Balanced Scorecard (BSC) multiplier: this is based on the performance of the Group Balanced Scorecard measures; and

D) Individual performance multiplier (IPM): this is based on the executive's achievement of individual KPOs and demonstration of the Company's DNA.

The overall structure of the F24 STIP is provided below:



F24 remuneration report (audited)

(C) F24 Balanced Scorecard measures (multiplier 0 to 1.2x)	
Global EBITS (50%)	The EBITS metric focuses and rewards executives for the overall health and profit-producing ability of the Company. It is designed to ensure TWE products are available in the right quantities and retail locations and to reward executives for levels of earnings that will benefit shareholders and provide capital that can be further invested by the Company for future growth.
Growth in sales volumes (15%)	This growth metric aims to reward executives for delivering sales volumes in our priority brands to drive a steep trajectory in top line growth globally. Delivery of this metric drives executives to explore wider opportunities for the Company to grow beyond existing products, markets, consumers and customers.
Brand contribution margin (15%)	Executives delivering margin accretion are rewarded for delivering growth from quality brand contribution through premiumisation of the Company's portfolio, optimising investment and making risk-managed, smart decisions.
Cash conversion (10%)	This metric rewards executives for the delivery of quality growth and strong planning operations as measured by improvements in the balance sheet, operating cash flow and forecast accuracy, all critical to delivering ROCE metric and financial returns for investors.
ROCE (10%)	This metric aims to incentivise executives to grow profits by increasing revenue or efficiency and optimise the Group's asset base.

(D) F24 Individual KPOs and Company DNA (multiplier 0 to 1.5x)	
Strategy & operations (60%)	• Individual strategic KPOs based on functional responsibility.
Leadership, inclusion, equity & diversity (20%)	All executives • Role model inclusive leadership and deliver on all global (and where relevant, local) diversity, equity and inclusion commitments. • Continue to champion and embed the TWE DNA and drive an increase in overall engagement. • Strengthen capability and depth of talent within own team and across all of TWE.
Wellbeing and sustainability (20%)	All executives • Reduction in serious safety incidents through active participation in the Destination Zero Harm program. • Employee mental wellbeing. • Execution of Sustainability strategy - delivering on F24 targets and associated initiatives, and demonstrating progress towards F25 and F30 targets.
Company DNA	All executives • We bring our whole self • We are courageous • We deliver together

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f) Long-term incentive plan (LTIP)

The LTIP is designed to reward executives for long-term performance and value creation for shareholders. Offers are approved by the Board and made to select executives and senior leaders as nominated by the CEO. For F24, the Board awarded the CEO an LTIP opportunity of 175% of fixed remuneration and 150% of fixed remuneration for Mr Boxer. Mr Young did not receive an award under the F24 LTIP.

The performance period for the F24 LTIP is 1 July 2023 to 30 June 2026 and the plan has the following features.

LTIP measures			
F24 LTIP measures and vesting schedules			
Relative Total Shareholder Return (rTSR) (20%)	**Relative TSR ranking**		**% of performance rights subject to relative TSR measure which vest**
Relative to S&P/ASX 200 Index, excluding companies from the energy, metal and mining, real estate and finance sectors.	Below 50th percentile 50th to 60th percentile 60th to 75th percentile At or above 75th percentile		0% 50%-70% 70%-100% 100%
Return on Capital Employed (ROCE) (40%)	**ROCE percentage points growth (from F23 ROCE baseline 11.3%)**	**ROCE result**	**% of performance rights subject to ROCE measure which vest**
Calculated as EBITS divided by average capital employed (at constant currency). Capital employed is the sum of average net assets (excluding SGARA) and average net debt.	Less than 1.0 1.0 to 1.7 1.7 to 2.1 At or above 2.1	Less than 12.3% 12.3% to 13.0% 13.0% to 13.4% At or above 13.4%	0% 35%-75% 75%-100% 100%
Earnings per Share (EPS) (40%)	**EPS[1] CAGR %**		**% of performance rights subject to EPS measure which vest**
Basic EPS is calculated as Net Profit (or Loss) After Tax (NPAT) excluding SGARA and material items, divided by the weighted average number of shares.	0 - 6% 6% - 10% At or above 10%		0% 35%-100% 100%

1. Earnings per Share before material items and SGARA

g) General employee share plan (Share Cellar)

The Company has a broad-based employee share plan, Share Cellar, which operates by way of after-tax employee payroll contributions (minimum $250 to maximum $5,000) to acquire shares in the Company. The Company delivers one matched share for every purchased share held at the plan vesting date (approximately two years), subject to continued employment. An equivalent cash plan operates in countries where, due to local laws, it is not practicable to offer shares to employees.

Shares were acquired in F24 under the 2023 Share Cellar offer and a subsequent offer to participate in the 2024 Share Cellar Plan was made during the year. The first share purchases in the 2024 Share Cellar Plan occurred in March 2024 (F24).

h) Global Leadership Group Long-term incentive plan (GLG LTIP) and restricted equity plan (REP)

In addition to the LTIP for executives, the Company also offers an LTIP to leaders below the executive leadership team, along with a REP which allows the Board (and CEO through delegation) to make offers of Deferred Share Rights or Restricted Shares for the purpose of attracting, retaining and motivating key employees throughout the Company. Participation in the GLG LTIP is open to senior leaders including members of the Global Leadership Group (GLG) (excluding executives eligible for LTIP) and is subject to performance conditions and continued employment. There were no awards granted to, or vested for, executives under the GLG LTIP or REP in F24.

F24 remuneration report (audited)

i) Other key information

Board discretion and clawback

The Board will exercise discretion to ensure any cash or equity outcomes are appropriately aligned to the Company's underlying performance and the interests of shareholders. The Board maintains the discretion to clawback any vested or unvested equity should a clawback event arise, which was not apparent at the time the equity was awarded. This may include (but not limited to) material misstatement of financial results, material reputational damage to the Company, or where there was serious misconduct by a participant. This includes discretion to reduce, forfeit or reinstate awards, require payback of proceeds from the sale of vested awards and/or reset or alter the performance conditions applying to any award.

Leavers

The Board has absolute discretion as to whether participants retain their unvested equity upon ceasing employment, taking into account the circumstances of their departure. In general if an executive ceases employment with the Company, they forfeit their entitlement to cash or equity under the Company's incentive plans.

In exceptional circumstances (such as redundancy, death or disability or bona fide retirement), the Board, in its discretion, may determine that a portion of the award is retained having regard to performance and time lapsed to date of cessation (or that an equivalent cash payment be made). Retained awards will generally be subject to post-employment vesting, where the participant must continue to hold the relevant Performance Rights until the end of the performance period, and be subject to the performance conditions under the plan.

Dividends and voting rights

Plan participants granted restricted shares are entitled to dividends and voting rights. Participants holding time-restricted rights or performance rights are entitled to neither dividends nor voting rights.

Change of control

In the event of a change of control, unless the Board determines otherwise, the transfer restrictions imposed on the shares will be lifted, but only in so far as to permit the executive to participate in the change of control event. Any shares that do not participate in the change of control event will continue to be subject to restrictions until the end of the applicable restriction period.

Hedging

To ensure the variable components of the Company's remuneration structure remain 'at-risk', employees may not hedge against the risk inherent in arrangements such as the LTIP or any other equity-based incentive plans. Awards will be forfeited if the policy is breached.

3. Performance and remuneration outcomes

a) Overview of Company performance

Company performance during F24 saw earnings and revenue growth, driven by strong luxury top-line growth from Penfolds and Treasury Americas. TWE delivered strong luxury portfolio momentum in Penfolds and Treasury Americas, driving NSR and EBITS growth.

TWE delivered EBITS of $658.1m, a 12.8% increase on the prior year, and a 13.1% increase to NSR to $2,739.8m. NSR per case also increased by 14.2% during F24, driven by the ongoing premiumisation of TWE's portfolio toward luxury wine. TWE delivered Earnings per Share (EPS) of 52.3 cents per share (before material items and SGARA), up slightly from F23. When excluding the impact from the acquisition of DAOU, ROCE increased from 11.3% in F23 to 12.0% in F24 (10.9% when impacts of the DAOU acquisition are included). EBITS margin declined slightly by 0.1 percentage points to 24.0%. The Company's capital structure remains flexible and efficient. Despite a slight increase in net debt/EBITDAS from 1.9x to 2.0x following the acquisition of DAOU, we have retained a strong balance sheet and investment grade capital structure.

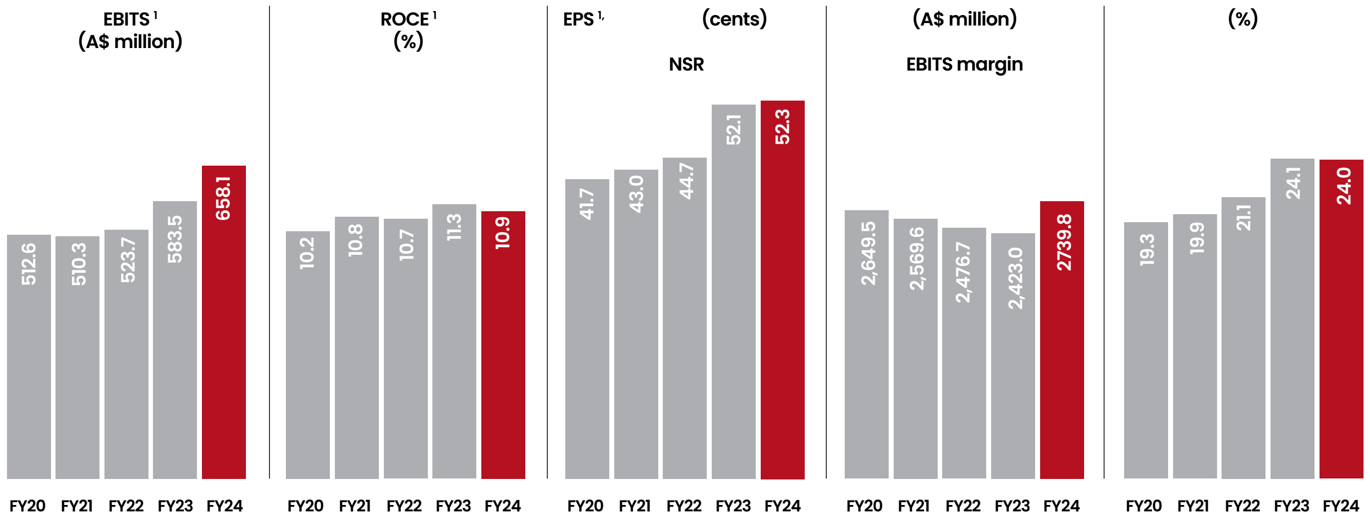
Due to the outstanding performance from our executives and our global teams and execution of key strategic priorities, the Company delivered strong operating momentum in F24. Penfolds saw top-line growth across all portfolio tiers and price points, driving a 15.5% increase to EBITS. Momentum accelerated across the portfolio in Asia, with double-digit NSR growth delivered in Hong Kong, Thailand and Taiwan, in addition to the commencement of Australian COO portfolio shipments to China in Q4 F24 following the removal of tariffs.

With the acquisition of DAOU, Treasury Americas has been established as the leading luxury wine business in the United States with an existing portfolio of iconic Napa Valley brands that includes Stags' Leap, Beaulieu Vineyard, Frank Family Vineyards and Beringer. It delivered a 13.1% increase to EBITS, driven by the contribution of DAOU in the second half of the year and a 14.1% increase in NSR across other luxury portfolio brands, particularly Stag's Leap and Frank Family Vineyards.

As a result of reduced premium and commercial shipments which reflect softening consumption trends in the below $15 price points, Treasury Premium Brands had a 7.0% decline in EBITS. Priority brands within Treasury Premium Brands maintained their positive momentum with NSR up 4.6%, driven by 19 Crimes, Squealing Pig and Pepperjack.

The table overleaf summarises the Company's financial performance over the last five financial years.

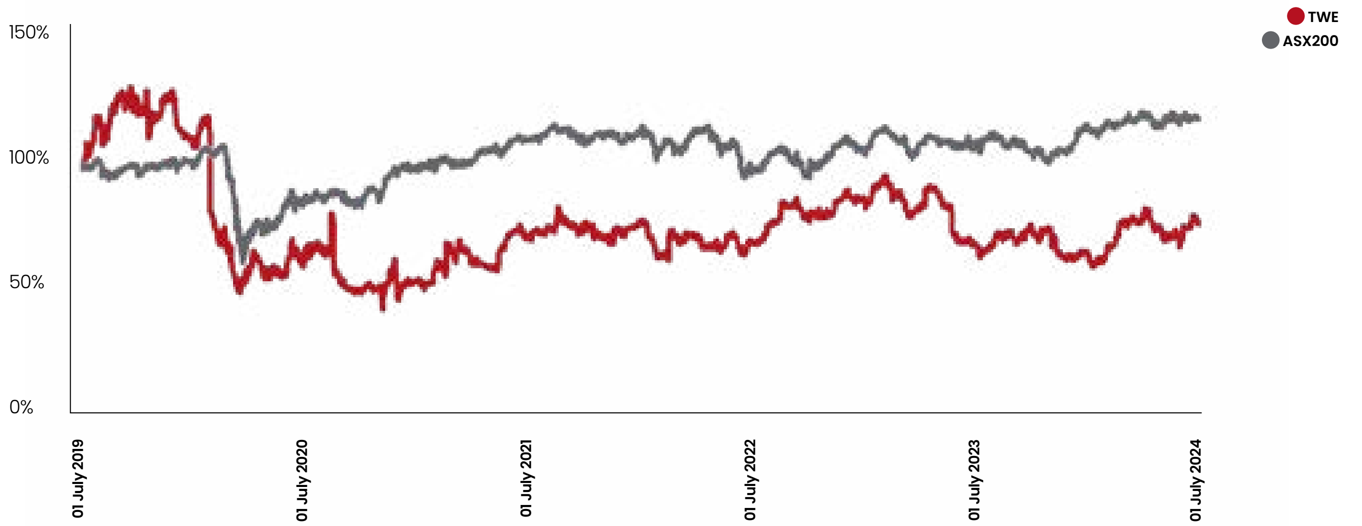
Table 3.1: Link between Company performance and remuneration outcomes



Historical STIP and LTIP outcomes	F20	F21	F22	F23	F24
STI outcome (% of maximum)[3]	0	61–72	62–73	30–40	**62-64**
STI outcome (% of fixed remuneration)[3]	0	73–108	74–109	36–72	**77–111**
LTI vesting (% of maximum)	0	0	0	78.75%	**20%**
Dividends paid per share (cents)	40	23	28	34	**34[4]**
Closing share price (as at 30 June)	10.48	11.68	11.35	11.23	**12.44**

1. Prior year results for EBITS, Earnings per share and return on Capital Employed have been restarted for changes in accounting.
2. Before material items and SGARA.
3. Rounded up to whole numbers.
4. The 2024 dividend of 34 cents is comprised of the final dividend in F23 of 17 cents (100% franked) paid on 3 October 2023 and the interim F24 dividend of 17 cents (70% franked) paid on 3 April 2024. For the final F24 dividend see Note 6 of the Financial Statments.

The following graph shows movement in the Company share price against movement in the ASX200 over the last five years.



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b) Fixed remuneration outcomes

Market benchmarking and salary reviews are conducted annually with any changes effective from 1 September. When comparing executives' remuneration to the market, the ASX 21-75 peer group was used. During F24:

- The CEO, Mr Ford, received a 3% fixed remuneration increase from $1,622,250 to $1,670,918 per annum, effective 1 September 2023.
- Mr Boxer was appointed Chief Financial and Strategy Officer (CFSO) on 1 November 2023. He received a 3% increase from $712,700 to $734,081 per annum, effective 1 September 2023 and then a further fixed remuneration increase to $900,000 per annum effective 1 November 2023 to reflect the responsibilities of his new role.
- Mr Young was the Chief Financial Officer (CFO) until 31 October 2023. His remuneration increased by 3% increase from $772,200 to $795,366 per annum, effective 1 September 2023. Mr Young ceased employment on 12 January 2024.

c) Short-term incentive outcomes

Short-term incentives are assessed by achievement against each executive's Balanced Scorecard and individual KPOs (including demonstration of the Company's DNA).

The F24 STIP Balanced Scorecard is heavily weighted to financial metrics, with the primary driver EBITS. The Company has achieved strong performance against the F24 STIP targets and F24 EBITS increased by 12.8% from F23 to $658.1m. As in previous years, targets set for F24 STIP included stretch goals such as driving growth in other markets to mitigate the ongoing impact of severely reduced shipments to Mainland China and to focus on delivering growth in earnings. Whilst the tariffs were removed at the end of March 2024, the impacts of this will not be substantially realised until at least F25.

The continued focus on luxury wine and premiumisation has enabled EPS of 52.3 cents per share (before material items and SGARA) and strong NSR growth. Group Luxury NSR increased 29.6% (14.5% organic growth), driven by outstanding execution and with consumer demand for luxury wine remaining strong in TWE's key markets. NSR per case increased 14.2% the ongoing premiumisation of TWE's portfolio towards luxury wine, which now represents approximately 50% of Group NSR. This level of performance is reflected in the STIP results and the level of payout for executives.

Actual results for the Balanced Scorecards and Individual KPOs are provided below.

F24 STIP outcomes

(C) F24 Balanced Scorecard Measures (multiplier 0 to 1.2x)

Scorecard Results

Measure	Weight	Threshold	Target	Stretch	Result	Weighted outcome
Global EBITS	50%	$614.6M	$673.7M	$707.4M	$658.1M	43.4%
Quality growth in sales volume	15%	10,879	12,088	12,724	12,044	14.7%
Brand Contribution margin	15%	36.3%	36.6%	36.9%	36.9%	17.6%
Cash Conversion	10%	81.3%	86.3%	91.3%	94.6%	12%
Return on Capital Employed[1]	10%	11.4%	12.2%	12.8%	12%	8.9%
Total	100%				(Balanced Scorecard multiplier)	96.6%

1. Excluding impacts of DAOU acquisition

(D) F24 Individual KPOs (multiplier 0 to 1.5x)

Individual Result

KMP	Threshold	Target	Maximum	Result	Individual Performance Multiplier (IPM)
CEO				Above target	125%
CFSO				Above target	120%

As detailed in section 2 (e), individual KPOs include a combination of strategic and operational objectives specific to the executive, and shared objectives relating to leadership, inclusion, equity and diversity, and wellbeing and sustainability. These KPO measures include a combination of quantitative and qualitative measures. Demonstration of the Company's DNA relates to behaviours specific to the executive and how the KPOs were achieved and is weighted equally with the individual KPOs. The Individual Performance Multiplier of 1.25x for the CEO, Mr Ford, was driven by strong individual performance driving the strategic direction of TWE as a global leader in luxury wine, including the acquisition of DAOU and assessing a future operating model for the global portfolio of Premium brands ahead of transition to the single, standalone global operating division in F26. DAOU delivered its expected EBITS during H2F24, with business integration underway and on track to deliver synergies by the end of F26.

During F24, Mr Ford implemented key initiatives to build sustainable distribution growth and identified future channel growth opportunities in Asian priority markets and channels, including successfully developing and implementing a plan for when the Chinese tariffs on Australian wine were removed.

As outlined earlier in the report, whilst the Company has had a strong year and the Board was very pleased with Management's performance, as part of closing out the year it was decided to write down within TPB the value of goodwill of a number of TPB's legacy commercial brands. This resulted in a non-cash impairment of $290m (post-tax) being recognised as at 30 June 2024. The Board has applied discretion to reduce the F24 STIP multiplier for the CEO from 120.8% to 110.8% of target. STIP payments for Senior Divisional TPB Management are commensurate with the performance of the division including the impairment.

The table below sets out short-term incentive outcomes for each executive inclusive of the impact of individual performance multiplier outcomes. The cash component of F24 STIP awards will be paid in September 2024. The Restricted Equity will also be allocated in September 2024. Mr Young did not receive a STIP award for F24.

Table 3.2: F24 STIP outcomes

Executive	(A) FR[1] for STIP opportunity ($)	(B) STIP opportunity at Target (% of FR) (%)	STIP opportunity at Target ($)	(C) Business scorecard multiplier (%)	(D) Individual performance multiplier (%)	STIP awarded ($)	Total STIP awarded (% of FR) (%)	Total STIP awarded (% of maximum) (%)	Cash ($)	Restricted equity ($)	Total STIP opportunity forfeited (% of maximum) (%)
TM Ford[2]	1,670,918	100.0%	1,670,918	96.6%	125%	1,850,542	110.8%	62%	1,233,695	616,847	38%
SR Boxer[3]	844,240	66.5%	561,420	96.6%	120%	650,798	77.1%	64%	433,865	216,933	36%

1. FR is salary as of 1 September 2023. Where change have occurred after 1 September, FR is pro-rated based on calendar days in the financial year.
2. Mr Ford's STIP was reduced to 110.8% from 120.8% following the exercise of discretion from the Board relating to impairment of TPB brands.
3. Mr Boxer's fixed remuneration was increased to $900,000 effective from 1 November 2023 on his appointment to the role of Chief Financial & Strategy Officer.

d) Long-term incentive awards and outcomes

LTIP awarded during the year

Performance rights were allocated to executives under the F24 LTIP after the 2023 Annual General Meeting and are subject to a three-year performance period. Any vesting is subject to three hurdles (detailed on page 85). The performance rights have no exercise price and the minimum total value of the grant is zero. The maximum value is the number of awards granted multiplied by the share price at vesting.

Table 3.3: F24 LTIP performance rights

Executive	Grant date	Vesting date	Number of awards granted	Face Value at grant date ($)[1]	Fair Value at valuation date ($)[2]
Current (as at 30 June 2024)					
TM Ford	8 November 2023	30 June 2026	234,630	2,924,107	2,341,138
SR Boxer	8 November 2023	30 June 2026	108,324	1,350,000	1,073,274

1. The value of LTIP awards granted to executives was the face value of the volume weighted average price (VWAP) of Company shares sold on the Australian Securities Exchange over the 90-day period up to and including 30 June 2023 ($12.4626 per share).
2. The fair value ($) in the table above is calculated using the valuation method detailed in Note 22 of the Financial Statements. The valuation date for Mr Ford is 16 October 2023 and the valuation date for Mr Boxer is 11 August 2023.

F24 remuneration report (audited)

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LTIP Vesting

The F22 LTIP was due to vest at the end of F24. The vesting schedule for the F22 LTIP is provided below.

Relative TSR vesting schedule	Relative TSR ranking	% of performance rights subject torelative TSR measure which vest
	Below 50th percentile	0%
	50th to 60th percentile	50%-70%
	60th to 75th percentile	70-100%
	At or above 75th percentile	100%

ROCE baseline 10.8% (F21)	ROCE percentage points growth	ROCE result	% of performance rights subject to ROCE measure which vest
	Less than 1.8	Less than 12.6%	0%
	1.8 to 2.1	12.6% to 12.9%	35%-75%
	2.1 to 2.8	12.9% to 13.6%	75%-100%
	At or above 2.8	At or above 13.6%	100%

As outlined previously in the report, the Group's Total Shareholder Return (TSR) performance was at the 65th percentile relative to its peer group driving 80% vesting for this component of the LTIP (weighted at 25%). However, whilst the Company has continued to focus on sustainable earnings, cost management and operational effectiveness, the ROCE component has once again fallen below threshold and has nil vesting. The Board elected not to adjust or apply discretion to the ROCE component. The resulting total vesting of the F22 LTIP for each executive equated to 20% of the target grant value.

The Board acknowledges stakeholder feedback to its decision to adjust outcomes relating to the F21 LTIP vesting in 2023. The adjustments made to the ROCE component of the F21 LTIP were a one-off adjustment, to reflect the direct and material impact of the imposition of MOFCOM tariffs (and to exclude the other material, unanticipated events including the pandemic and wildfires).
The Board committed in the 2023 remuneration report that it would remove any benefit to executives for future LTIP ROCE and EPS targets if the Chinese wine tariffs were removed to ensure consistency in the discretion that has been applied. No adjustments have been applied to the F22 LTIP, which was not impacted, negatively or positively, by the application and subsequent lifting of wine tariffs in China.

As result of the impairment, for measurement purposes of ongoing LTIP, the value of the impairment will be added back to the capital employed for three years to ensure there are no windfall gains delivered to Management going forward

The F22 LTIP vesting outcome by executive is provided overleaf:

Table 3.4: Vesting / lapsing of F22 LTIP

Executive	Number of performance rights granted	Value at grant [1] ($)	Number of rights vested	Value vested [2] ($)	Number of rights which lapsed[3]	Value lapsed[2] ($)
Current (as at 30 June 2024)						
TM Ford	240,171	2,624,997	48,034	597,543	192,137	2,390,184
SR Boxer	92,637	1,012,495	18,527	230,476	74,110	921,928
Former						
MJ Young	97,989	1,070,990	16,557	205,969	81,432	1,013,014

1. 'Value at grant' is calculated based on $10.9297 which was the volume weighted average price of Company shares sold on the Australian Securities Exchange over the 90 day period up to and including 30 June 2021. This was the price used to calculate the number of performance rights granted under the F22 LTIP as previously disclosed by the Company.
2. The value 'lapsed' or 'vested' is calculated based on the closing share price on the performance period end date of 28 June 2024, being $12.44.
3. The number of rights which lapsed as they did not vest. For Mr. Young, this includes 15,199 rights which were forfeited on termination of employment.

e) General employee share plan (Share Cellar)

During F24, the 2024 Share Cellar Plan was launched. No executives participated in this plan. The Company has approximately one third of all eligible employees participating in the Share Cellar Plan and investing their post-tax pay to become shareholders.

f) Summary of awards held by executives

The table below sets out the number and movement of awards held by executives. Restricted Shares are generally issued under STIP Deferral (Restricted Equity). Performance Rights are issued under the LTIP.

Table 3.5: Summary of awards held by executives

Name		Held at the start of the reporting period	Granted/ acquired during reporting period	Received upon vesting/ exercising[1]	Lapsed or forfeited[2]	Other change	Held at the end of the reporting period
Current (as at 30 June 2024)							
TM Ford	Restricted Shares	64,963	33,549	(43,566)	-	-	54,946
	Performance Rights	491,778	234,630	(48,034)	(192,137)	-	486,237
SR Boxer	Restricted Shares	21,743	9,801	(14,239)	-	-	17,305
	Performance Rights	187,384	108,324	(18,527)	(74,110)	-	203,071
Former							
MJ Young[3,4]	Restricted Shares	22,181	-	(15,301)	-	(6,880)	-
	Performance Rights	200,646	-	(16,557)	(131,543)	(52,546)	-
Grand Total		**988,695**	**386,304**	**(156,224)**	**(397,790)**	**(59,426)**	**761,559**

1. Represents restricted shares under the F21 and F22 Deferred STIP which became unrestricted during F24 and performance rights that vested under the F22 LTIP.
2. Represents F22 LTIP performance rights which lapsed on 30 June 2024. For Mr Young this includes 65,310 F22 and F23 LTIP performance rights which were forfeited on termination of employment.
3. Mr Young ceased to be KMP on 1 November 2023 and as such his reportable equity awards retained post resignation as at 30 June 2024 have been reduced to nil.
4. Mr Young ceased to be KMP on 1 November 2023 and was not granted any restricted share rights or performance rights under the F24 LTIP.

F24 remuneration report (audited)

TREASURY WINE ESTATES ANNUAL REPORT 2024

g) Remuneration of executives
Table 3.6 provides details of remuneration for the CEO and executives for F24, calculated in accordance with statutory accounting requirements. All amounts are in Australian dollars and relate only to the portion of the year in which the person occupied the KMP role.

Table 3.6: Remuneration of executives

		Short-term benefits						Share-Based Payments				
Executive	Year	Salary / Fees[1]	Leave accrual[2]	Non-monetary benefits[3]	Total cash incentive[4]	Other payments	Superannuation / pension	Total amortisation value of LTIP[5]	Other equity[6]	Total	Performance related %[7]	Termination benefits[8]
Current (as at 30 June 2024)												
TM Ford	**F24**	**1,635,408**	**91,527**	**14,829**	**1,233,695**	**–**	**27,399**	**471,137**	**473,201**	**3,947,196**	**55%**	**–**
	F23	1,588,486	75,359	14,422	778,680	–	25,292	1,685,247	507,449	4,674,935	64%	–
SR Boxer	**F24**	**813,731**	**59,087**	**15,233**	**433,865**	**–**	**27,399**	**199,304**	**150,239**	**1,698,858**	**46%**	**–**
	F23	683,937	1,400	10,184	227,494	–	25,292	647,731	169,540	1,765,578	59%	–
Former												
MJ Young[9]	**F24**	**438,312**	**(190,469)**	**7,752**	**–**	**–**	**13,418**	**70,056**	**71,648**	**410,717**	**35%**	**397,683**
	F23	743,120	16,736	12,312	184,865	–	25,292	816,323	173,634	1,972,282	60%	–
Total	**F24**	**2,887,451**	**(39,855)**	**37,814**	**1,667,560**	**–**	**68,216**	**740,497**	**695,088**	**6,056,771**		**397,683**
	F23	3,015,543	93,495	36,918	1,191,039	–	75,876	3,149,301	850,623	8,412,795		–

1 Represents cash salary including any salary sacrificed items such as superannuation and novated motor vehicles, and for Mr Young includes cash out of accrued leave entitlements upon cessation of employment.
2 Includes any net changes in the balance of annual leave and long service leave (i.e. leave entitlements that accrued during the year but were not used).
3 Includes the provision of car parking, product allocations, executive medical checks, taxation expenses and Fringe Benefits Tax on all benefits, where applicable.
4 Represents cash payments made under the F24 STIP, excluding the Restricted Equity portion which will be allocated in September 2024.
5 Includes a proportion of the fair value of all outstanding LTIP offers at the start of the year, or which were offered during the year. Under Australian Acounting Standard, the fair value is determined as at the offer date and is apportioned on a straight-line basis across the expected vesting period after adjusting at each reporting date for an estimation of the number of shares that will ultimately vest.
6 Includes a proportion of the fair value of all Restricted Shares and Deferred Share Rights held under outstanding Restricted Equity Plans at the start of the year. F23 STIP Restricted Equity was outstanding at the end of F24. Restricted Equity granted under the F24 STIP is expected to be allocated in September 2024. Under Australian Accounting Standards, the fair value is determined as at the offer date and is apportioned on a straight-line basis across the expected vesting period after adjusting at each reporting date for an estimation of the number of shares that will ultimately vest.
7 Represents the sum of incentive and Performance Rights/Restricted Equity as a percentage of total remuneration, excluding termination payments.
8 Termination benefits for MJ Young reflect a severance payment per his executive contract.
9 Mr Young ceased as KMP on 1 November 2023 and ceased employment on 12 January 2024. Amounts reported are for the KMP period only from 1 July 2023 to 1 November 2023. Upon exit, Mr Young forfeited a portion of his F22 and F23 LTIP awards. The remaining awards are subject to post-employment vesting.

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F24 remuneration report (audited)

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Non-executive director remuneration

4. Framework and outcomes

This section of the report refers to the following non-executive directors.

Name	Position	Dates
Non-Executive Directors		
Current		
J Mullen	Chairman[1]	Full year
EYC Chan	Non-executive director	Full year
GA Hounsell	Non-executive director	Full year
CE Jay	Non-executive director	Full year
A Korsanos	Non-executive director	Full year
LM Shanahan	Non-executive director	Full year
Former		
PA Rayner	Non-Executive Director	Retired effective 16 October 2023

1 Mr Mullen joined the Board effective from 1 May 2023 and became Chair of the Board on 16 October 2023

a) Fee pool

The current maximum aggregate fee pool of $2,500,000 per annum (inclusive of superannuation) was approved by shareholders at the 2016 Annual General Meeting.

b) Non-executive director fees

The level of non-executive directors' fees takes into account the risks and responsibilities of the role, the global reach and complexity of the business, director skills and experience, and market benchmark data (provided by independent external consultants).

As disclosed in the F23 remuneration report, for F24, the Board approved a 3% increase to Chair and Member base fees to be effective from 1 October 2023. No changes were made to Committee fees. There will be no increases to Chairman or non-executive director fees in F25.

Table 4.1: F24 Non-executive director fees

Board/Committee	Chair fee ($)	Member fee ($)
Board base fee	562,380	204,455
Audit and Risk Committee	46,500	22,500
Human Resources Committee	42,500	21,500
Nominations Committee	10,000 [1]	5,000
Wine Operations and Sustainability Committee	35,000	18,000

The above fees were effective 1 October 2023 and are inclusive of superannuation for Australian-based non-executive directors.

1. The Chairman of the Board, Mr Mullen, is also the Chair of the Nominations Committee. He does not receive any additional fees for this role.

In addition to the above fees, non-executive directors receive a wine allowance of $4,000. In order to maintain independence, non-executive directors do not participate in the Company's incentive plans and they do not receive retirement benefits other than the superannuation contributions disclosed in this report.

c) Non-executive director outcomes

Details of non-executive director remuneration for F24 and F23 are provided below.

Table 4.2: F24 Non-executive director remuneration ($)

Non-Executive Director	Year	Fees	Non-monetary benefits[1]	Superannuation	Total
J Mullen[2]	**FY24**	**462,101**	**4,000**	**27,399**	**493,500**
	FY23	29,940	–	3,144	33,084
EYC Chan[3]	**FY24**	**219,921**	**4,000**	**5,546**	**229,467**
	FY23	214,792	4,000	6,208	225,000
GA Hounsell	**FY24**	**259,568**	**4,000**	**27,399**	**290,967**
	FY23	250,931	7,370	25,170	283,471
CE Jay[3]	**FY24**	**242,467**	**4,000**	-	**246,467**
	FY23	238,000	4,000	-	242,000
LM Shanahan[3]	**FY24**	**250,467**	**4,000**	-	**254,467**
	FY23	246,000	4,000	-	250,000
A Korsanos	**FY24**	**229,250**	**7,192**	**25,217**	**261,659**
	FY23	226,244	7,370	23,756	257,370
Former					
PA Rayner[4]	**FY24**	**151,085**	**5,263**	**9,208**	**165,556**
	FY23	520,708	17,363	25,292	563,363
TOTAL	**FY24**	**1,814,859**	**32,455**	**94,769**	**1,942,083**
	FY23	1,726,615	44,103	83,570	1,854,288

1 Includes product allocations, entertainment and Fringe Benefits Tax, where applicable. The amount for Mr Rayner includes car parking.
2 Mr Mullen joined the Board effective from 1 May 2023.
3 For non-executive directors who reside outside of Australia, fees are converted into their local currency based on a 3-year average foreign exchange rate up to 30 April of the previous year.
4 Mr Rayner retired from the Board of Directors as of 16 October 2023.

F24 remuneration report (audited)

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Other remuneration Information

5. Governance

a) Role of the Human Resources Committee (HRC)
The HRC provides assistance to the Board in relation to such matters as monitoring remuneration principles and frameworks, providing advice on remuneration matters, making remuneration recommendations for executives, approving incentive plans and reviewing and governing remuneration policies. In addition to its remuneration responsibilities and together with the Board, the HRC's duties include overseeing talent management, inclusion, equity and diversity, culture and leadership development.

The Committee ensures that the Company's policies and frameworks aid the achievement of the Company's strategic objectives, provide appropriate governance, are aligned with market practice, and fulfil the Board's responsibility to shareholders. During the year, the Audit and Risk Committee Chair attended all of the Human Resources Committee meetings. Also, the Human Resources Committee Chair typically attends the Audit & Risk Committee meetings, providing a link between both Committees to assist with oversight of non-financial risk.

As outlined in Section 4 of the Corporate Governance Statement disclosed on the Company's website www.tweglobal.com, the Company has procedures in place for the reporting of any matter that may give rise to a conflict between the interests of a director and those of the Company. In addition, the Company has adopted a general policy for employees in relation to the disclosure and management of potential conflicts of interest (see Section 4 of the Corporate Governance Statement on www.tweglobal.com).

b) Engagement of remuneration advisors
In F24, the Board and HRC engaged PwC as an independent advisor to the HRC. Potential conflicts of interest are considered by the HRC, and the Board and HRC are satisfied that the advice provided by PwC was free from undue influence. Any advice provided by remuneration consultants is used as a guide only and is not a substitute for detailed consideration of all relevant issues by the HRC. No remuneration recommendations, as defined by the *Corporations Act 2001* (Cth), were provided.

c) Executive and non-executive director share ownership
Executives and non-executive directors are encouraged to have control over ordinary shares in the Company and executives and non-executive directors are required to hold at least the equivalent of one year's fixed remuneration or base fees. The guidelines are expected to be met over a reasonable period of time (approximately five years). The Company's variable incentive programs contribute towards executives meeting this guideline. The Director Share Acquisition Plan (DSAP) allows directors to apply after-tax fees to the acquisition of the Company's shares on a periodic basis at the prevailing market rate. The table below sets out KMP shareholdings.

Table 5.1: KMP shareholdings

F24	Balance at start of the year	Received upon vesting/exercise[1]	Other changes during the year[2]	Balance at end of year
Executive				
Current (as at 30 June 2024)				
TM Ford[3]	295,284	91,600	41,670	428,554
SR Boxer[3]	84,477	32,766	12,275	129,518
Former				
MJ Young	145,341	31,858	(177,199)	-
Executive total	**525,102**	**156,224**	**(123,254)**	**558,072**

F24	Balance at start of the year	Acquired during the year as part of DSAP[4]	Other changes during the year	Balance at end of year[5]
Non-Executive Directors				
Current (as at 30 June 2024)				
J Mullen	-	-	68,990	68,990
EYC Chan	48,280	-	-	48,280
GA Hounsell	100,000	-	10,583	110,583
CE Jay	28,682	3,447	-	32,129
LM Shanahan	22,368		-	22,368
T Korsanos	17,500	-	4,352	21,852
Former				
PA Rayner[6]	301,671		(301,671)	
Non-Executive Director total	**518,501**	**3,447**	**(217,746)**	**304,202**
Grand total	**1,043,603**	**159,671**	**(341,000)**	**862,274**

1 Includes release of restricted shares under Tranche 2 of F21 Deferred STIP and Tranche 1 of F22 Deferred STIP and shares acquired upon auto-exercise of F22 LTIP performance rights.
2 Includes the purchase/sale of ordinary shares during F24; including shares purchased under the renouncable rights offer completed in November 2023, with shares allocated in December 2023.
3 Mr Ford & Mr Boxer participate in TWE's voluntary sell-to-cover program which allows eligible executives and senior leaders the ability to opt-in to an irrevocable arrangement for the automatic sale of 47% of shares that vest under TWE's employee share plans in order to cover their Australian tax liabilities. The automatic sale of shares will occur upon vesting of any F22 LTIP rights and release of restricted shares under the F21 and F22 Deferred STIP.
4 Shares acquired by Directors using post-tax fees in TWE's Director Share Acquisition Plan (DSAP).
5 No changes in shareholdings have occurred for non-executive directors from the balance date to the date of this report.
6 Mr Rayner retired from the Board of Directors as of 16 October 2023. Mr Rayner's balance of shares held as at 30 June 2024 is reduced to nil to reflect his retirement as an Non-Executive Director.

6. Further information

a) Executive contracts
There is no fixed term for executive contracts. The Company may terminate service agreements immediately for cause, in which case the executive is not entitled to any payment other than the value of fixed remuneration and accrued leave entitlements up to the termination date. On resignation all executives are required to give six months' notice. If the termination is Company initiated without cause, all executives have termination provisions of six months' notice by the Company plus six months' severance pay.

F24 remuneration report (audited)

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b) Other transactions with KMP and their personally related entities

The Company entered into transactions which are insignificant in amount with KMP and their related parties within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available in similar arm's length dealings which include payments of salaries and benefits and purchase of Company products.

Some directors of the Company are also directors of public companies which have transactions with the Company. The relevant directors do not believe they have the individual capacity to control or significantly influence the financial policies of those companies.

The companies are therefore not considered to be related parties for the purpose of the disclosure requirements of the *Corporations Act 2001* (Cth).

c) Prior years' equity arrangements

This section summarises all outstanding equity arrangements for executives, as reported in previous Remuneration Reports.

The below equity plans have no exercise price and the minimum total value of the grant is zero. The maximum value is the number of awards granted multiplied by the share price at vesting.

Table 6.1: Prior years' restricted equity

Executive	Plan	Instrument type	Allocation date	Number	Face value at allocation date [1] ($)	Fair value at allocation date [2] ($)	Vesting date
Current							
TM Ford	F23 LTIP	Performance Rights	1 November 2022	251,607	2,838,938	2,906,564	30 June 2025
SR Boxer	F23 LTIP	Performance Rights	1 November 2022	94,747	1,069,050	1,094,517	30 June 2025
Former							
MJ Young[3]	F23 LTIP	Performance Rights	1 November 2022	52,546	592,887	607,011	30 June 2025

1 The value of F23 LTIP awards at allocation date is calculated based on the 90-day VWAP up to and including 30 June 2022 ($11.2832 per share). The vesting schedule is provided in Table 6.2.
2 This LTIP value is calculated using the valuation method detailed in Note 22 of the Financial Statements. All other plans are based on face value.
3 Mr Young was granted 102,657 performance rights under the F23 LTIP. 50,111 F23 LTIP performance rights were forfeited upon termination of employment.

Table 6.2: F23 LTIP vesting schedules

Relative TSR vesting schedule	Relative TSR ranking		% of performance rights subject to relative TSR measure which vest
	Below 50th percentile		0%
	50th to 60th percentile		50%-70%
	60th to 75th percentile		70%-100%
	At or above 75th percentile		100%
ROCE baseline 10.7% (F22)	**ROCE percentage points growth**	**ROCE result**	**% of performance rights subject to ROCE measure which vest**
	Less than 2.8	Less than 13.5%	0%
	2.8 to 3.2	13.5% to 13.9%	35%-75%
	3.2 to 4.0	13.9% to 14.7%	75%-100%
	At or above 4.0	At or above 14.7%	100%
Earnings per Share	**EPS CAGR**		**% of Performance Rights subject to EPS measure which vest**
	0 – 7.5%		0%
	7.5% - 15%		35%-100%
	At or above 15%		100%

d) Definitions

Term	Definition
Cash Conversion	Net operating cash flows before financing costs, tax and material items divided by EBITDAS (excluding movement in non-current luxury and premium inventory).
Constant currency	An exchange rate that eliminates the effects of exchange rate fluctuations year-on-year.
Earnings per Share (EPS)	NPAT excluding SGARA and material items, divided by the weighted average number of shares. Adjusted EPS is used to calculate performance outcomes, meaning that the Board retains the discretion to adjust EPS to ensure that participants are not penalised or provided with a windfall gain arising from material, non-recurring items.
EBITDAS	Earnings before interest, tax, depreciation, amortisation, material items and SGARA.
EBITS	Earnings before interest, tax, SGARA and material items.
EBITS Margin	EBITS divided by Net sales revenue.
Key management personnel (KMP)	Those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise), as listed in the introduction to the Remuneration Report.
Phantom shares	Units which provide the participant with a right to receive a cash payment at the vesting date, whereby the payment is tied to the market value of an equivalent number of TWE shares. The amount of the payout will increase as the share price rises, and decrease if the share price falls, but without the participant actually receiving any TWE shares.
Relative Total Shareholder Return (TSR)	The return on investment of a company relative to a peer group of companies.
Restricted equity	Rights or shares granted by TWE that vest upon the satisfaction of certain conditions, such as continued employment for a period of time or the achievement of particular performance milestones. The plan participant cannot deal in the equity until it vests and the restriction is lifted.
Return on Capital Employed (ROCE)	EBITS divided by Capital Employed (at constant currency). Capital Employed is the sum of average net assets (adjusted for SGARA impact) and average net debt.
SGARA	Self-generating and regenerating assets. SGARA represents the difference between the fair value of harvest (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 harvest, 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.
Total Shareholder Return (TSR)	Total return on investment of a security, taking into account both capital appreciation and distributed income that was reinvested.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2024

	Note	2024 $M	2023 $M
Revenue	3	**2,808.3**	2,488.3
Cost of sales		**(1,573.7)**	(1,413.7)
Gross profit		**1,234.6**	1,074.6
Selling expenses		**(246.1)**	(231.3)
Marketing expenses		**(153.7)**	(157.1)
Administration expenses		**(241.3)**	(183.4)
Other income/(expenses)		**(326.9)**	(93.1)
Profit before tax and finance costs		**266.6**	409.7
Finance income		**106.8**	79.6
Finance costs		**(205.1)**	(152.3)
Net finance costs		**(98.3)**	(72.7)
Profit before tax		**168.3**	337.0
Income tax expense	24	**(69.3)**	(82.7)
Net profit		**99.0**	254.3
Net (profit)/loss attributable to non-controlling interests		**(0.1)**	0.2
Net profit attributable to shareholders of Treasury Wine Estates Limited		**98.9**	254.5
Other comprehensive income/(loss)			
Items that may subsequently be reclassified to profit or loss			
Cash flow hedges		**(11.0)**	5.7
Tax on cash flow hedges		**3.2**	(1.3)
Exchange gain/(loss) on translation of foreign operations		**(41.7)**	80.0
Other comprehensive income/(loss) for the year, net of tax		**(49.5)**	84.4
Total comprehensive income for the year attributable to:			
Shareholders of Treasury Wine Estates Limited		**49.5**	338.3
Non-controlling interests		**(0.1)**	0.4
Total comprehensive income for the year		**49.4**	338.7

		Cents Per share	Cents[1] Per share
Earnings per share for profit attributable to Treasury Wine Estates Limited shareholders			
Basic	7	**12.7**	34.9
Diluted	7	**12.6**	34.8

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

1. Earnings per share for the year ended 30 June 2023 has been restated, in accordance with AASB 133, for the dilutive effects of the rights issue executed during the current financial year to ensure consistency period on period, see note 7.

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TREASURY WINE ESTATES ANNUAL REPORT 2024

Consolidated statement of financial position

As at 30 June 2024

	Note	2024 $M	2023 $M
Current assets			
Cash and cash equivalents	9	**458.1**	565.8
Receivables	9	**683.1**	607.3
Inventories	9	**1,020.5**	990.3
Current tax assets	24	**12.0**	24.4
Assets held for sale	14	**13.6**	32.9
Derivative assets	26	**1.3**	16.5
Total current assets		**2,188.6**	2,237.2
Non-current assets			
Inventories	9	**1,339.1**	1,175.3
Property, plant and equipment	10	**1,816.1**	1,576.8
Right-of-use assets	11	**360.8**	389.7
Agricultural assets	12	**50.4**	44.8
Intangible assets	13	**2,182.8**	1,426.7
Deferred tax assets[1]	24	**116.6**	28.9
Derivative assets	26	**44.1**	66.4
Other non-current assets		**14.3**	7.9
Total non-current assets[1]		**5,924.2**	4,716.5
Total assets[1]		**8,112.8**	6,953.7
Current liabilities			
Trade and other payables	9	**793.8**	709.7
Current tax liabilities	24	**77.0**	18.7
Provisions	16	**72.1**	101.7
Borrowings	18	**83.8**	250.7
Derivative liabilities	26	**3.8**	17.6
Total current liabilities		**1,030.5**	1,098.4
Non-current liabilities			
Borrowings	18	**2,074.7**	1,686.9
Deferred tax liabilities[1]	24	**287.6**	245.6
Contingent consideration	35	**45.4**	-
Derivative liabilities	26	**40.4**	20.8
Other non-current liabilities		**23.3**	23.1
Total non-current liabilities[1]		**2,471.4**	1,976.4
Total liabilities[1]		**3,501.9**	3,074.8
Net assets		**4,610.9**	3,878.9
Equity			
Contributed equity	19	**4,226.8**	3,280.7
Other equity	23	**(18.1)**	(18.1)
Reserves	21	**82.2**	134.5
Retained earnings		**302.9**	464.6
Total parent entity interest		**4,593.8**	3,861.7
Non-controlling interests		**17.1**	17.2
Total equity		**4,610.9**	3,878.9

The consolidated statement of financial position should be read in conjunction with the accompanying notes.

1. Reported results at 30 June 2023 restated. Refer to note 24.

Consolidated statement of changes in equity

For the year ended 30 June 2024

	Contributed equity $M	Other equity $M	Retained earnings $M	Foreign currency translation reserve $M	Other reserves $M	Total $M	Non-controlling interests $M	Total equity $M
Balance at 30 June 2022	**3,280.7**	**-**	**455.5**	**72.2**	**(23.5)**	**3,784.9**	**4.1**	**3,789.0**
Profit/(loss) for the year	-	-	254.5	-	-	254.5	(0.2)	254.3
Total other comprehensive income/(loss)	-	-	-	79.4	4.4	83.8	0.6	84.4
Total comprehensive income/(loss)for the year	**-**	**-**	**254.5**	**79.4**	**4.4**	**338.3**	**0.4**	**338.7**
Transactions with owners in their capacity as owners directly in equity								
Share based payment expense	-	-	-	-	13.8	13.8	-	13.8
Vested deferred shares and share rights	-	-	-	-	(11.8)	(11.8)	-	(11.8)
Other equity	-	(18.1)	-	-	-	(18.1)	-	(18.1)
Non controlling interest of aquisition	-	-	-	-	-	-	12.7	12.7
Dividends to owners of the Company	-	-	(245.4)	-	-	(245.4)	-	(245.4)
Balance at 30 June 2023	**3,280.7**	**(18.1)**	**464.6**	**151.6**	**(17.1)**	**3,861.7**	**17.2**	**3,878.9**
Profit for the year	-	-	98.9	-	-	98.9	0.1	99.0
Total other comprehensive income/(loss)	-	-	-	(41.7)	(7.7)	(49.4)	(0.2)	(49.6)
Total comprehensive income for the year/(loss)	-	-	98.9	(41.7)	(7.7)	49.5	(0.1)	49.4
Transactions with owners in their capacity as owners directly in equity								
Share based payment expense	-	-	-	-	11.7	11.7	-	11.7
Issue of ordinary shares	825.4	-	-	-	-	825.4	-	825.4
Issue of ordinary shares as consideration for business acquisition	139.1	-	-	-	-	139.1	-	139.1
Transaction costs on issue of ordinary shares	(18.4)	-	-	-	-	(18.4)	-	(18.4)
Vested deferred shares and share rights	-	-	-	-	(14.6)	(14.6)	-	(14.6)
Other equity	-	-	-	-	-	-	-	-
Non controlling interest of aquisition	-	-	-	-	-	-	-	-
Dividends to owners of the Company	-	-	(260.6)	-	-	(260.6)	-	(260.6)
Balance at 30 June 2024	**4,226.8**	**(18.1)**	**302.9**	**109.9**	**(27.7)**	**4,593.8**	**(17.1)**	**4,610.9**

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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Consolidated statement of cash flows

For the year ended 30 June 2024

	Note	2024 $M inflows/ (outflows)	2023 $M inflows/ (outflows)
Cash flows from operating activities			
Receipts from customers		**3,411.6**	3,125.8
Payments to suppliers, governments and employees		**(2,837.4)**	(2,710.2)
Borrowing costs paid		**(12.1)**	(9.7)
Income taxes paid		**(31.2)**	(69.8)
Interest paid (net)		**(99.2)**	(64.1)
Net cash flows from operating activities	8	**431.7**	272.0
Cash flows from investing activities			
Payments for property, plant, and equipment		**(176.2)**	(243.6)
Payments for intangible assets		**(13.9)**	(5.4)
Payments for subsidiaries, net of cash acquired	35	**(1,204.6)**	(55.8)
Proceeds from sale of property, plant and equipment		**74.8**	193.4
Net cash flows used in investing activities		**(1,319.9)**	(111.4)
Cash flows from financing activities			
Proceeds from issue of shares net of transaction costs		**807.0**	-
Dividend payments		**(260.6)**	(245.4)
Proceeds from borrowings		**921.3**	394.2
Repayment of borrowings		**(698.8)**	(154.1)
Proceeds from settlement of currency swaps and other derivatives		**19.4**	-
Purchase of shares – employee equity plans		**(5.3)**	(21.9)
Net cash flows used in financing activities		**783.0**	(27.2)
Total cash flows from activities		**(105.2)**	133.4
Cash and cash equivalents at the beginning of the year		**565.8**	430.5
Effects of exchange rate changes on foreign currency cash flows and cash balances		**(2.5)**	1.9
Cash and cash equivalents at end of the year	9	**458.1**	565.8

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements: About this report

For the year ended 30 June 2024

Note 1 - About this report

Treasury Wine Estates Limited ('the Company') is a for profit company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange (ASX). The consolidated financial statements comprise the Company and its controlled entities (collectively, 'the Group'). The Company's registered office and principal place of business is at Level 8, 161 Collins St, Melbourne VIC 3000, Australia.

The accounting policies that are critical to understanding the financial statements are set out in this section. Where an accounting policy is specific to one note, the policy is described in the note to which it relates.

Basis of preparation

The consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated financial statements comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). They were authorised for issue by the Board of Directors on 15 August 2024.

The financial statements are presented in Australian dollars with all values rounded to the nearest tenth of one million dollars unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.*

The consolidated financial statements may also include certain non-IFRS measures including earnings before finance costs, tax, SGARA and material items (EBITS). These measures are used internally by management (and some analysts) to assess the performance of the Group and segments, to make decisions on the allocation of resources and assess operational management.

Notes to the financial statements

The notes include additional information required to understand the financial statements that is material and relevant to the operations, financial position and performance of the Group.

Information is considered material and relevant if the amount in question is significant because of its size, nature or incidence or it helps to explain the impact of significant changes in the business, for example, acquisitions and asset write-downs.

Line items labelled 'other' on the face of the consolidated statements comprise miscellaneous income, expenses, assets, liabilities or cash flows which individually or in aggregate are not considered material to warrant additional disclosures.

Where applicable, comparative periods have been adjusted to disclose comparatives on the same basis as the current year.

The notes are organised into the following sections:

Earnings: focuses on the financial results and performance of the Group. It provides disclosures relating to income, expenses, segment information, material items and earnings per share.

Working capital: shows the assets and liabilities generated through trading activity. It provides information regarding working capital management and analysis of the elements of working capital.

Operating assets and liabilities: provides information regarding the physical assets and non-physical assets used by the Group to generate revenues and profits (including associated liabilities). This section also explains the accounting policies applied and specific judgements and estimates made by management in arriving at the value of these assets and operating liabilities.

Capital structure: provides information about the capital management practices adopted by the Group - particularly how much capital is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the activities of the Group both now and in the future.

Taxation: sets out the Group's tax accounting policies, the current and deferred tax charges, a reconciliation of profit or loss before tax to the tax charge or credit and the movements in deferred tax assets and liabilities.

Risk: discusses the Group's exposure to various financial risks, explains how these affect the financial position of the Group and what is done to manage these risks.

Group composition: explains aspects of the Group's structure and business acquisitions.

Other: other required disclosures under AAS and IFRS.

Key estimates and judgements

In preparing this financial report, the Group is required to make estimates, judgements and assumptions that affect the reported amounts in the financial statements.

These estimates, judgements and assumptions are continually evaluated, and are based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2024 about future events that the Directors believe are reasonable in the circumstances.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements:

Note 3:	Revenue
Note 9:	Working capital
Note 11:	Right-of-use assets
Note 12:	Agricultural assets
Note 13:	Intangible assets
Note 15:	Impairment of non-financial assets
Note 24:	Income tax
Note 35:	Business acquisitions

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Notes to the consolidated financial statements: About this report

For the year ended 30 June 2024

Note 1 - About this report (continued)

Principles of consolidation

The consolidated financial statements include the assets and liabilities of Treasury Wine Estates Limited and its controlled entities as a whole at year-end and the consolidated results and cash flows for the year. A list of controlled entities (subsidiaries) is provided in note 28.

An entity is regarded as a controlled entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through power over the entity.

The rights of other investors to the results and equity of the subsidiaries (called non-controlling interests) are shown separately in the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

The financial information of the subsidiaries is prepared for the same reporting period as the parent, using consistent accounting policies. Intra-group balances and transactions arising from intra-group transactions are eliminated.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The major functional currencies used throughout the Group include Australian Dollar (AUD), United States Dollar (USD) and Great British Pound (GBP). Other currencies used include the Canadian Dollar, Euro, New Zealand Dollar, Singapore Dollar, Swedish Krona, Norwegian Krone and Chinese Renminbi.

Foreign Group companies

As at the reporting date, the assets and liabilities of overseas subsidiaries are translated into Australian dollars at the rate of exchange ruling at the balance sheet date and the income statement is translated at the average exchange rates for the period. The exchange differences arising on the translation are recognised in the foreign currency translation reserve within equity.

When a foreign operation is sold, the cumulative exchange difference in equity for this operation is recognised in the consolidated statement of profit or loss and other comprehensive income as part of the gain and loss on sale.

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency of the relevant entity at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are subsequently translated at the rate of exchange ruling at the balance sheet date.

Exchange differences arising are recognised in the consolidated statement of profit and loss and other comprehensive income, except for gains or losses arising on assets or liabilities that qualify for hedge accounting, discussed further in note 26.

Tax charges and credits attributable to these exchange differences are also recognised in equity.

Average exchange rates used in translating profit and loss items in F24 are:
A$1 = US$ 0.656 (F23: US$ 0.673)
A$1 = GB£ 0.521 (F23: GB£ 0.559)

Year-end exchange rates used in translating financial position items in F24 are:
A$1 = US$ 0.665 (F23: US$ 0.662)
A$1 = GB£ 0.526 (F23: GB£ 0.525)

Fair value measurement

The Group measures certain financial instruments, including derivatives, and certain non-financial assets such as agricultural assets, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in its principal or most advantageous market at the measurement date. It is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial item assumes it is put to its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Accounting standards prescribe a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly (i.e. as prices) or indirectly (i.e. derived by prices) observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the consolidated financial statements: Earnings

For the year ended 30 June 2024

Note 2 - Segment information

The Group's segments

The Group reports segment information on the same basis as its internal management reporting structure and consistent with the information used to organise and manage the Group.

Presentation of segment results

Management EBITS

The principal profit metric for internal management reporting is Management earnings before interest, tax, SGARA and material items (EBITS). Corporate charges are allocated to each segment on a proportionate basis linked to segment revenue, head count or other appropriate driver depending on the nature of the charge.

SGARA represents the difference between the fair value of harvested grapes (as determined under AASB 141 *Agriculture*) and the cost of harvested grapes. The fair value gain or loss is excluded from Management EBITS so that earnings can be assessed based on the cost of harvest, rather than their fair value. This approach results in a better reflection of the true nature of the Group's consumer branded business and improves comparability with domestic and global peers. The F24 SGARA gain of $10.9 million reflects increased intake from the 2023 Californian vintage, partly offset by a deliberate reduction of Commercial and Premium intake from the 2024 Australian vintage and lower market grape pricing in Australia.

The Group has the following reportable segments:

(i) ***Treasury Premium Brands***
This segment is responsible for the manufacture, sale and marketing of wine within Australia, Asia, Europe, Canada, Middle-East and Africa.

(ii) ***Penfolds***
This segment is responsible for the manufacture, sale and marketing of Penfolds wine globally.

(iii) ***Treasury Americas***
This segment is responsible for the manufacture, sale and marketing of wine within North American and Latin Americas regions.

Segment accounting policies

Segment assets and liabilities
Segment assets and liabilities represent those working capital and non-current assets and liabilities which are located in the respective segments. Cash and borrowings, other than lease liabilities, are not considered to be segment assets/liabilities as they are managed by the Group's centralised treasury function. Consistent with the use of EBITS for measuring profit, tax assets and liabilities, which do not contribute towards EBITS, are not allocated to operating segments.

Corporate charges
Unallocated corporate charges are reported in the Unallocated/corporate segment. Net finance costs are not allocated to segments as the Group's financing arrangements are centralised through its treasury function.

Segment loans payable and loans receivable
Segment loans are initially recognised at the amount transferred. Intersegment loans receivable and payable that earn or incur non-market interest are adjusted to fair value based on market interest rates.

Other
If items of revenue and expense are not allocated to operating segments, then any associated assets and liabilities are not allocated to segments either.

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Notes to the consolidated financial statements: Earnings

For the year ended 30 June 2024

Note 2 - Segment information (continued)

2024	Treasury Premium Brands $M	Penfolds $M	Treasury Americas $M	Total segment $M	Unallocated/ corporate $M	Consolidated $M
Total revenue comprises:						
Net sales revenue	737.0	1,000.5	1,002.3	2,739.8	-	2,739.8
Other revenue	2.8	33.9	23.1	59.8	8.7	68.5
Total segment revenue (excl other income/interest)	739.8	1,034.4	1,025.4	2,799.6	8.7	2,808.3
Management EBITS	76.0	421.3	230.5	727.8	(69.7)	658.1
SGARA gain/(loss)	(10.7)	(15.5)	37.1	10.9	-	10.9
Material items	(335.6)	(0.9)	(61.3)	(397.8)	(6.4)	(404.2)
Management EBIT	(270.3)	404.9	206.3	340.9	(76.1)	264.8
Net finance costs						(96.5)
Consolidated profit before tax						168.3
Depreciation of property, plant and equipment and right-of-use assets	(20.8)	(34.3)	(81.5)	(136.6)	(4.3)	(140.9)
Amortisation of intangible assets	(0.5)	(0.6)	(2.3)	(3.4)	(11.2)	(14.6)
Impairment of intangible assets	(343.8)	-	-	(343.8)	-	(343.8)
Assets held for sale	8.8	0.3	4.5	13.6	-	13.6
Capital expenditure (additions)	(36.8)	(76.7)	(69.4)	(182.9)	(7.2)	(190.1)
Business acquisitions, net of cash acquired	-	-	(1,204.6)	(1,204.6)	-	(1,204.6)
Segment assets	990.8	1,930.6	4,445.0	7,366.4	746.4	8,112.8
Segment liabilities	(228.5)	(318.7)	(802.4)	(1,349.6)	(2,152.3)	(3,501.9)

2023	Treasury Premium Brands $M	Penfolds $M	Treasury Americas $M	Total segment $M	Unallocated/ corporate $M	Consolidated $M
Total revenue comprises:						
Net sales revenue	782.4	819.7	820.9	2,423.0	-	2,423.0
Other revenue	4.8	26.7	28.0	59.5	5.8	65.3
Total segment revenue (excl other income/interest)	787.2	846.4	848.9	2,482.5	5.8	2,488.3
Management EBITS	81.7	364.7	203.9	650.3	(66.8)	583.5
SGARA gain/(loss)	(27.0)	(33.2)	(4.3)	(64.5)	-	(64.5)
Material items	(108.2)	(5.7)	31.6	(82.3)	(26.9)	(109.2)
Management EBIT	(53.5)	325.8	231.2	503.5	(93.7)	409.7
Net finance costs						(72.7)
Consolidated profit before tax						337.0
Depreciation of property, plant and equipment and right-of-use assets	(21.3)	(34.5)	(73.1)	(128.9)	(3.7)	(132.6)
Amortisation of intangible assets	(2.1)	(0.1)	(2.1)	(4.3)	(10.5)	(14.8)
Impairment of intangible assets	(14.3)	-	-	(14.3)	-	(14.3)
Assets held for sale	21.3	11.6	-	32.9	-	32.9
Capital expenditure (additions)	(23.2)	(38.6)	(178.5)	(240.3)	(8.7)	(249.0)
Segment assets[1]	1,398.5	1,854.9	2,902.6	6,156.0	797.7	6,953.7
Segment liabilities[1]	(301.4)	(267.2)	(695.7)	(1,264.3)	(1,810.5)	(3,074.8)

1. Reported results at 30 June 2023 restated. Refer to note 24.

Notes to the consolidated financial statements: Earnings

For the year ended 30 June 2024

Note 2 - Segment information (continued)

Geographical segments

The presentation of geographical net sales revenue is based on the location of the selling entity.

	Net sales revenue	
	2024 $M	2023 $M
Australia	**1,150.8**	1,004.3
United States of America	**1,093.1**	922.0
United Kingdom	**314.0**	329.4
Other geographical locations[1]	**181.9**	167.3
Total	**2,739.8**	2,423.0

1. Other than Australia, the United States of America and the United Kingdom, sales of other countries are individually less than 10% of the Group's net sales revenue.

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The presentation of non-current assets is based on the geographical location of the assets.

	Non-current assets	
	2024 $M	2023 $M
Australia	**1,798.9**	1,974.7
United States of America	**3,579.1**	2,227.0
United Kingdom	**17.3**	136.8
Other geographical locations[3]	**368.2**	282.8
Total geographical non-current assets	**5,763.5**	4,621.3
Other non-current assets[2,4]	**160.7**	95.2
Consolidated non-current assets[2]	**5,924.2**	4,716.5

2. Reported results at 30 June 2023 restated. Refer to note 24.
3. Other than Australia, the United States of America and the United Kingdom, non-current assets of other countries are individually less than 10% of the Group's non-current assets.
4. Other non-current assets include financial derivative assets and deferred tax assets.

Notes to the consolidated financial statements: Earnings

For the year ended 30 June 2024

Note 3 - Revenue

	2024 $M	2023 $M
Revenue		
Net sales revenue[1]	**2,739.8**	2,423.0
Other revenue	**68.5**	65.3
Total revenue	**2,808.3**	2,488.3

1. Net sales revenue is inclusive of excise duty, and net of trade discounts and volume rebates.

Net sales revenue – types of products

The Group generates revenue through the sale of branded wines, principally as a finished, bottled product. The Group's wine portfolio includes some of the world's leading Luxury, Premium and Commercial wine brands such as Penfolds, Beringer, 19 Crimes, Beaulieu Vineyard, Sterling Vineyards, Stags' Leap, and Daou Vineyards (DAOU).

The Group distributes wine to a range of customers across the world, with routes to market tailored by country. Depending on the geography, wine is sold to distributors, wholesalers, direct to national retail chains, independent retailers and on-premise outlets. The Group also has some sales direct to the consumer.

Other revenue

Other revenue of the Group includes contract bottling services to third parties, sub-lease income, grape sales and bulk wine sales.

Major customer

For F24, the Group had one customer whose revenues represented 12.3% of reported net sales revenue. For F23, the Group had no customers whose revenues represented more than 10.0% of reported net sales revenue.

Financing components

The Group does not have any contracts where the period between the transfer of the promised product or services to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

Accounting policies

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group's contracts with customers generally include one performance obligation. Revenue from the sale of products or services is recognised at the point in time when control over a product or service is transferred to the customer, generally on delivery. Excise duties are not included as a separate item on external invoices; are not always passed onto the customer and where a customer fails to pay for products received, the Group cannot reclaim the excise duty. The Group therefore recognises excise duty as a cost to the Group. Payment terms vary by customer.

Wine

Revenue is recognised in a manner that depicts transfer of control of goods to customers at the amount that reflects the consideration the business expects to be entitled to in exchange for those goods. Sales to national retail chains, domestic distributors, independent retailers and on-premise outlets are usually recognised when goods are delivered. Sales to international customers are recognised based on the international commercial terms the goods are shipped under, but typically when goods are despatched. This is also the case for some national retail chains that manage their own distribution networks.

Bottling services

Revenue is recognised when the relevant service has been completed.

Key estimate and judgement

Trade discounts and volume rebates

Products are often sold with volume discounts and other rebates. Sales are recorded based on the consideration specified in the sales contracts or terms, net of the estimated discount or rebate at the time of sale. These discounts or rebates are considered variable consideration and are accounted for in determining the transaction price of a contract. The method used by the Group to estimate discounts and rebates is the most likely amount. Accumulated experience is used to estimate and provide for the discounts and rebates based on anticipated purchases and depletions.

Notes to the consolidated financial statements: Earnings

For the year ended 30 June 2024

Note 4 - Other earnings disclosures

	2024 $M	2023 $M
Net foreign exchange gains/(losses)	**1.3**	0.5
Salaries and wages expense	**(416.6)**	(386.5)
Share based payments expense	**(11.7)**	(13.8)

Other items		
Restructuring and redundancy costs	**(1.9)**	(0.3)
Insurance income	**8.6**	22.7
Net profit/(loss) on sale of property, plant and equipment	**23.6**	7.3
Material items before tax — refer note 5	**(404.2)**	(109.2)
Total other gains and (losses)	**(373.9)**	(79.5)

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Accounting policies

Employee benefits
Employee benefits include wages, salaries, annual leave, bonuses, non-monetary benefits and share based payment expenses. Further details of Group policy on measuring employee benefits are set out in note 16.

Superannuation
Employees are members of defined contribution superannuation schemes. Superannuation contributions are recognised as an expense when they are due and payable.

Gain on sale of property, plant and equipment
Gains from the sale of property, plant and equipment are recognised when an executed contract becomes unconditional.

Insurance income
Revenue is recognised when recovery is virtually certain.

Notes to the consolidated financial statements: Earnings

For the year ended 30 June 2024

Note 5 - Material items

The following individually material items are included within the consolidated statement of profit or loss and other comprehensive income.

Individually material items included in profit before income tax:	2024 $M	2023 $M
Impairment of Treasury Premium Brands		
(Write-down)/reversal of write-down of goodwill	**(115.0)**	-
(Write-down)/reversal of write-down of brand names	**(228.8)**	-
(Write-down)/reversal of write-down of inventory	**(9.9)**	-
Acquisition of DAOU Vineyards		
Transaction and integration (costs)	**(61.0)**	-
Accounting for the earn-out agreement	**(3.7)**	-
Treasury Premium Brands Operating Model restructure		
Restructuring and redundancy (costs)	**(6.1)**	(72.9)
Net profit/(loss) on sale of property, plant and equipment	**17.0**	-
(Write-down)/reversal of write-down of property, plant and equipment	**3.3**	(40.9)
(Write-down)/reversal of write-down of brand names	**-**	(14.3)
Divestment of US brands and assets		
Restructuring and redundancy (costs)	**-**	(0.2)
(Write-down)/reversal of write-down of intangible assets	**-**	-
Net profit/(loss) on sale of property, plant and equipment	**-**	34.4
Supply chain restructure		
Restructuring and redundancy (costs)	**-**	(9.5)
Acquisition of Frank Family Vineyards		
Transaction and integration (costs)	**-**	(0.4)
Acquisition of Château Lanessan		
Transaction and integration (costs)	**-**	(5.4)
Total material items (before tax)	**(404.2)**	(109.2)
Tax effect of material items	**86.1**	33.2
Total material items (after tax)	**(318.1)**	(76.0)

In F24, material items reflect costs relating to the impairment of Treasury Premium Brands, acquisition and integration of DAOU Vineyards and the continuation of the Treasury Premium Brands Operating Model restructure.

In F23, material items reflect costs relating to the implementation of the new Treasury Premium Brands operating model, the review and restructure of commercial operations and assets in the Americas, the acquisition of Frank Family Vineyards in the Americas and costs related to the acquisition of Château Lanessan.

Material items

Material items are defined as those 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.

Notes to the consolidated financial statements: Earnings

For the year ended 30 June 2024

Note 6 - Dividends

	2024 $M	2023 $M
Dividends declared and paid on ordinary shares		
Final dividend for F23 of 17.0 cents per share, 100% franked (F22: 16.0 cents per share, 100% franked)[1]	**122.7**	115.5
Interim dividend for F24 of 17.0 cents per share 70% franked (F23: 18.0 cents per share, 100% franked)[2]	**137.9**	129.9
	260.6	245.4
Dividends approved after balance date Since the end of the financial year, the Directors approved a final dividend of 19.0 cents per share (F23: 17.0 cents) 70% franked (F23: 100% franked). This dividend has not been recognised as a liability in the consolidated financial statements at year-end and there are no tax consequences.	**154.2**	122.7

1. The F23 final dividend includes an amount of $5.4 million (F22 final dividend: $5.1 million) for shares issued under the Dividend Reinvestment Plan which were fulfilled by on market share purchases.
2. The F24 interim dividend includes an amount of $7.5 million (F23 interim dividend: $6.8 million) for shares issued under the Dividend Reinvestment Plan which were fulfilled by on market share purchases.

Details in relation to franking credits are included in note 24.

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Note 7 - Earnings per share

	2024 Cents per share	2023[1] Cents per share
Basic EPS Basic EPS (cents) based on net profit attributable to shareholders of Treasury Wine Estates Limited	**12.7**	34.9
Diluted EPS Diluted EPS (cents) based on net profit attributable to shareholders of Treasury Wine Estates Limited	**12.6**	34.8
	Number	**Number**
Weighted average number of shares Weighted average number of ordinary shares on issue used in the calculation of basic EPS (in thousands)	**778,834**	721,848
Impact of renounceable entitlement offer (in thousands)	**-**	6,889
Weighted average number of ordinary shares on issue used in the calculation of EPS (in thousands)	**778,834**	728,737
Effect of potentially dilutive securities Deferred shares (in thousands)	**3,472**	3,612
Weighted average number of ordinary shares on issue used in the calculation of diluted EPS (in thousands)	**782,306**	732,349
Earnings reconciliation *Basic and diluted EPS*	**$M**	$M
Net profit	**99.0**	254.3
Net (profit)/loss attributable to non-controlling interest	**(0.1)**	0.2
Net profit attributable to shareholders of Treasury Wine Estates Limited used in calculating basic and diluted EPS	**98.9**	254.5

1. Earnings per share for the year ended 30 June 2023 has been restated, in accordance with AASB 133, for the dilutive effects of the rights issue executed during the current financial year to ensure consistency period on period.

Calculation of earnings per share

Earnings per share (EPS) is the amount of post-tax profit attributable to each share.

Basic EPS is calculated by dividing the net profit after income tax attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is determined by dividing the profit attributable to ordinary shareholders after tax by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of dilutive potential ordinary shares in the employee Long-Term Incentive Plan and Restricted Equity Plan (see note 22).

Notes to the consolidated financial statements: Earnings

For the year ended 30 June 2024

Note 8 - Net cash flows from operating activities

Reconciliation of net cash flows from operating activities to profit after income tax	2024 $M	2023 $M
Profit for the year	**99.0**	254.3
Depreciation and amortisation	**155.5**	147.4
SGARA (gain)/loss	**(10.9)**	64.5
Write-down/(reversal of write-down) of property, plant and equipment	**(3.3)**	40.9
Write-down/(reversal of write-down) of intangible assets	**343.8**	14.3
Net (profit)/loss on disposal of non-current assets	**(40.6)**	(41.7)
Share based payments expense	**11.7**	13.8
Other	**(1.3)**	-
Net cash provided by operating activities before change in assets and liabilities	**553.9**	493.5
Change in working capital and tax balances, net of effects from acquisition/disposal of controlled entities		
Receivables	**(52.0)**	(38.8)
Inventories	**11.9**	(132.5)
Derivative financial assets/liabilities	**2.0**	9.0
Payables	**(91.5)**	(69.9)
Net tax balances	**37.7**	(13.0)
Provisions	**(30.3)**	23.7
Net cash flows from operating activities	**431.7**	272.0

Notes to the consolidated financial statements: Working capital

For the year ended 30 June 2024

Note 9 - Working capital

	2024 $M	2023 $M
Current		
Cash and cash equivalents	**458.1**	565.8
Receivables (a)	**683.1**	607.3
Inventories (b)	**1,020.5**	990.3
Trade and other payables	**(793.8)**	(709.7)
Total current	**1,367.9**	1,453.7
Non-current		
Inventories (b)	**1,339.1**	1,175.3
Total non-current	**1,339.1**	1,175.3

(a) Receivables	2024 $M	2023 $M
Current		
Trade receivables	**560.8**	448.6
Allowance for expected credit loss	**(11.8)**	(7.7)
Other receivables	**58.6**	99.7
Prepayments	**75.5**	66.7
Total current receivables	**683.1**	607.3

(b) Inventories	2024 $M	2023 $M
Current		
Raw materials and stores	**67.1**	67.7
Work in progress	**282.1**	253.6
Finished goods	**671.3**	669.0
Total current inventories	**1,020.5**	990.3
Non-current		
Work in progress	**1,017.4**	872.8
Finished goods	**321.7**	302.5
Total non-current inventories	**1,339.1**	1,175.3
Total inventories	**2,359.6**	2,165.6

Inventories of wine stocks are classified between current and non-current based on sales projections for the ensuing year. Inventories recognised as an expense during the year and included in cost of sales amounted to $1,500.9 million (F23: $1,314.3 million).

In F24, the write-down of inventories to net realisable value is $32.2 million (F23: $16.9 million). Reversals of write-downs amounted to nil (F23: nil). These amounts are included in cost of sales.

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TREASURY WINE ESTATES ANNUAL REPORT 2024

Notes to the consolidated financial statements: Working capital

For the year ended 30 June 2024

Note 9 - Working capital (continued)

Accounting policies

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, deposits held at call with banks, cash in transit, short-term deposits and investments with maturities of three months or less.

Cash assets and bank overdrafts are offset and presented as a net amount in the consolidated statement of financial position when the Group has a legally enforceable right to offset or intent to settle on a net basis.

For the purposes of the consolidated statement of cash flows, cash and cash equivalents are disclosed net of outstanding bank overdrafts.

Receivables
Trade receivables are initially recognised at invoice value (fair value) and subsequently measured at amortised cost, less an allowance for expected credit losses.

Credit terms are generally between 30 – 120 days depending on the nature of the transaction. For trade receivables, the Group applies the simplified approach for expected credit losses, which requires expected lifetime losses to be recognised from initial recognition of receivables. Expected credit losses are calculated by utilising a provision matrix where loss rates are calculated based on days past due for groupings of various customer segments that have similar loss patterns (for example geography, product type and rating). The provision matrix is initially determined by the Group's historical observed loss rates and calibrated for forward looking information. Loss rates will be updated at each reporting date based on changes in observed default rates and changes in forward looking information.

Inventories
Inventories are valued at the lower of their cost (using weighted average or FIFO basis) or estimated net realisable value.

The cost of raw materials is their purchase price or, in the case of grapes sourced from Group owned vineyards, fair value (see note 12 for further details). The cost of manufactured goods is determined on a consistent basis and is made up of the raw materials and direct labour used in manufacture. It also includes other direct costs and related production overheads based on normal operating capacity.

Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs to be incurred in marketing, selling and distribution.

Trade and other payables
Trade and other payables including accruals are recorded when the Group is required to make future payments as a result of purchases of goods or services. Trade and other payables are carried at amortised cost.

Key estimates and judgements

Trade discounts and volume rebates
Key estimates relate to the amount accrued for discounts and rebates. Products are often sold with trade discounts and volume rebates. Sales are recorded based on the price specified in the sales contracts or terms, net of the estimated discount or rebate at the time of sale. Accumulated experience is used to estimate and provide for the discounts and rebates based on anticipated purchases and depletions.

Net realisable value of inventory
The period over which some wine inventories are converted from raw materials to finished goods can be a significant length of time. Failure to forecast demand effectively may result in excess inventories or missed revenue opportunities.

Forecast demand and market prices can vary significantly over the holding period up to the likely date of sale. Estimating the most likely conditions at the expected point of sale is therefore more challenging over the longer term. Non-current inventory is $1,339.1 million (F23: $1,175.3 million) and its estimated selling price is therefore a key estimate.

Notes to the consolidated financial statements: Operating assets and liabilities

For the year ended 30 June 2024

Note 10 - Property, plant and equipment

	Land		Freehold buildings		Leasehold buildings		Plant and equipment		Total	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Cost	**537.7**	475.9	**612.9**	544.4	**48.4**	45.1	**1,880.8**	1,783.5	**3,079.8**	2,848.9
Projects in progress	**4.1**	-	**0.5**	-	**-**	-	**117.0**	72.6	**121.6**	72.6
Accumulated depreciation and impairment	**(26.6)**	(29.4)	**(233.9)**	(223.9)	**(28.1)**	(25.1)	**(1,096.7)**	(1,066.3)	**(1,385.3)**	(1,344.7)
Carrying amount at end of year	**515.2**	446.5	**379.5**	320.5	**20.3**	20.0	**901.1**	789.8	**1,816.1**	1,576.8

Reconciliations

	Land 2024 $M	Land 2023 $M	Freehold buildings 2024 $M	Freehold buildings 2023 $M	Leasehold buildings 2024 $M	Leasehold buildings 2023 $M	Plant and equipment 2024 $M	Plant and equipment 2023 $M	Total 2024 $M	Total 2023 $M
Carrying amount at start of year	**446.5**	403.4	**320.5**	301.3	**20.0**	16.2	**789.8**	800.6	**1,576.8**	1,521.5
Additions	**28.4**	133.6	**27.6**	13.7	**-**	-	**120.2**	96.3	**176.2**	243.6
Business acquisition	**42.8**	19.8	**37.3**	23.4	**-**	-	**83.0**	1.9	**163.1**	45.1
(Transfer to)/from assets held for sale	**0.4**	(121.4)	**0.4**	(1.1)	**1.6**	-	**(1.9)**	(15.6)	**0.5**	(138.1)
(Transfer to)/from other asset classes	**(0.4)**	1.6	**(0.5)**	(8.0)	**1.9**	6.3	**-**	(0.4)	**1.0**	(0.5)
Disposals	**(2.9)**	(1.4)	**(0.2)**	(0.1)	**-**	(0.2)	**(8.6)**	(17.0)	**(11.7)**	(18.7)
(Write-downs)/write-downs reversal	**-**	(0.7)	**-**	(6.2)	**-**	(0.1)	**3.3**	(33.9)	**3.3**	(40.9)
Depreciation expense	**-**	-	**(11.5)**	(11.2)	**(3.2)**	(2.7)	**(66.0)**	(61.9)	**(80.7)**	(75.8)
Foreign currency translation	**0.4**	11.6	**5.9**	8.7	**-**	0.5	**(18.7)**	19.8	**(12.4)**	40.6
Carrying amount at end of year	**515.2**	446.5	**379.5**	320.5	**20.3**	20.0	**901.1**	789.8	**1,816.1**	1,576.8

Included within plant and equipment are 'Projects in Progress' of $121.6 million (F23: $72.6 million), which are assets under construction and therefore not yet depreciated. The cost of construction includes the cost of materials used in construction, direct labour on the project, and an allocation of overheads. The Group recognised a write down reversal of $3.3 million. In F23 the Group recognised a write down of $40.9 million for property, plant and equipment during the year.

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Notes to the consolidated financial statements: Operating assets and liabilities

For the year ended 30 June 2024

Note 10 – Property, plant and equipment (continued)

Accounting policies

Property, plant and equipment is initially recorded at cost and then reduced by accumulated depreciation and any impairment losses.

Plant and equipment is depreciated so that the assets are written down to their residual value over their useful lives, using a reducing balance or straight-line method depending on the nature of the asset. Assets that relate to leases are depreciated over the period of the lease or useful life, whichever is the shorter. Residual values, useful lives and amortisation methods are reviewed annually and adjusted when required.

Depreciation expense is included in 'costs of sales', 'selling expenses' and 'administration expenses' in the consolidated statement of profit or loss and other comprehensive income.

The depreciation rates used for each class of asset are as follows:

Freehold buildings	1.5% - 10.0%
Leasehold buildings	10.0% - 20.0%
Plant and equipment	3.3% - 40.0%
Vines	2.5% - 5.0%

Costs incurred in maintaining agricultural assets are recognised as an expense as incurred.

Derecognition and disposal

When an asset is sold, scrapped or is no longer of use to the business it is derecognised. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net proceeds and the carrying amount of the asset) is recorded in the period the asset is derecognised in the consolidated statement of profit or loss and other comprehensive income.

Vineyard resources	2024 Hectares	2023 Hectares
Australia	**6,171**	6,859
United States	**2,684**	2.393
New Zealand	**705**	505
Italy	**187**	185
France	**191**	175
	9,938	10,117

The area under vine shown above:

- Includes 2,838 hectares (F23: 2,719 hectares) under direct leasing arrangements.
- 19 hectares (F23: 19 hectares) of olive groves in Tuscany, a region of Italy.
- Yielded 62,485 tonnes of grapes (F23: 68,026 tonnes).

Harvests generally occur in September - October in the Northern Hemisphere and February - May in the Southern Hemisphere.
As the harvest was completed prior to the acquisition of DAOU, this is not reflected in the tonnes of grapes yielded.

Notes to the consolidated financial statements: Operating assets and liabilities

For the year ended 30 June 2024

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Note 11 – Right-of-use assets

The Group has leases for vineyards, buildings, equipment and motor vehicles. The Group's lease arrangements have durations up to 25 years but may have extension options as described in (d) below.

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment and oak barrels. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(a) Right-of-use assets	Land		Leasehold buildings		Plant and equipment		Total	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Cost	**481.5**	469.5	**264.7**	256.3	**36.9**	39.2	**783.1**	765.0
Accumulated depreciation and impairment	**(251.5)**	(225.2)	**(153.7)**	(131.2)	**(17.1)**	(18.9)	**(422.3)**	(375.3)
Carrying amount at end of year	**230.0**	244.3	**111.0**	125.1	**19.8**	20.3	**360.8**	389.7
Reconciliations								
Carrying amount at start of year	**244.3**	274.9	**125.1**	143.1	**20.3**	17.3	**389.7**	435.3
Additions	**14.7**	8.7	**4.7**	9.1	**7.8**	10.1	**27.2**	27.9
Business acquisitions	**-**	-	**5.7**	-	**-**	-	**5.7**	-
Disposals[1]	**-**	(20.5)	**-**	(7.7)	**(0.3)**	-	**(0.3)**	(28.2)
Depreciation and impairment expense	**(27.9)**	(26.7)	**(24.3)**	(22.3)	**(8.0)**	(7.8)	**(60.2)**	(56.8)
Foreign currency translation	**(1.1)**	7.9	**(0.2)**	2.9	**-**	0.7	**(1.3)**	11.5
Carrying amount at end of year	**230.0**	244.3	**111.0**	125.1	**19.8**	20.3	**360.8**	389.7

1. During F23 the Group purchased and subsequently sold a number of vineyard assets that were previously subject to long term lease arrangements, as a part of the ongoing restructure of supply assets in America.

(b) Amounts recognised in the statement of profit or loss and other comprehensive income	2024 $M	2023 $M
Interest expense on lease liabilities	**28.3**	30.1
Expenses relating to low-value leases, excluding short-term leases of low-value items	**31.6**	31.5
Expenses relating to short-term leases	**0.4**	0.1
Income from sub-leasing right-of-use assets presented in 'other revenue'	**2.8**	2.7

(c) Amounts recognised in statement of cash flows	2024 $M	2023 $M
Total cash out flow for lease liabilities	**86.2**	88.0

(d) Extension options

Some property and vineyard leases contain extension options exercisable by the Group up to the end of the non-cancellable contract period. These options are used to provide operational flexibility across the Group. The extension options held are exercisable only by the Group and not the lessors. The Group has estimated that should it exercise the extension option for all leases, the lease liability would be $607.2 million (F23: $577.4 million).

(e) Variable lease payments	2024 $M	2023 $M
Variable lease payments not included in lease liabilities	**147.7**	128.4

Notes to the consolidated financial statements: Operating assets and liabilities

For the year ended 30 June 2024

Note 11 – Right-of-use assets (continued)

Certain contractual arrangements may contain both lease and non-lease components. Non-lease components are distinct elements of a contract that are not related to securing the use of the leased asset, such as inventory, common area maintenance, and other management costs. The Group has elected to measure the amount disclosed in relation to variable leases for these arrangements by combining the lease and non-lease components.

Certain leases include variable lease payments, including payments that depend on an index or rate, as well as variable payments for items such as grapes, labour, property taxes, insurance, maintenance, and other operating expenses associated with leased assets.

Certain grape purchasing arrangements include variable payments based on actual tonnage and price of grapes that will vary depending on certain factors, including weather, time of harvest, overall market conditions, and the agricultural practices and location of the vineyard. Such variable lease payments are excluded from the calculation of the right-of-use asset and are recognised in the period in which the obligation is incurred.

Accounting policies

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in AASB 16 *Leases*.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets as 'right-of-use assets' and lease liabilities in 'borrowings' in the consolidated statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment and oak barrels. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Key estimate and judgement

Right-of-use assets

The Group has applied judgement in determining the interest rates used in the discount rate and in determining the term of a lease, which is based on the likelihood of the Group's ability to renew the lease and having regard for terms equivalent to those that currently exist.

Notes to the consolidated financial statements: Operating assets and liabilities

For the year ended 30 June 2024

Note 12 - Agricultural assets

	2024 $M	2023 $M
Agricultural assets	**50.4**	44.8
Total agricultural assets	**50.4**	44.8
Reconciliations		
Carrying amount at start of year	**44.8**	32.9
Fair value increase	**50.9**	43.7
Transfers to inventory	**(44.8)**	(32.9)
Foreign currency translation	**(0.5)**	1.1
Carrying amount at end of year	**50.4**	44.8

Grape growing and sourcing

The Group has a variety of sources of fruit including owned and leased vineyards and contracted growers.

This approach provides flexibility through the economic cycle and assists with managing the risks arising from agricultural factors beyond the Group's control such as pests, disease and extreme weather conditions.

The Group's owned vineyards ensure access to super premium fruit from key viticultural regions including the Barossa Valley and Coonawarra in Australia, Marlborough in New Zealand, the Napa Valley and Paso Robles in California and the Bordeaux region in France. These vineyards contribute to some of the Group's most prestigious wines.

Accounting policies

The agricultural assets of the Group (i.e. grapes) are measured at their fair value, less estimated point of sale costs.

The fair value adjustment during the year is recognised within 'Other income/(expenses)' in the consolidated statement of profit or loss and other comprehensive income.

Harvested grapes are transferred to inventory initially at fair value and are then subsequently accounted for in the cost of inventory (see note 9).

Fair value determination

The valuations of agricultural assets are Level 2 fair value measurements under the Group's accounting policy (see note 1), with the principal inputs being:

Grapes prior to harvest

Estimated based on the expected yields per hectare, estimated harvest costs and the anticipated market price of grapes.

Harvested grapes

Determined by reference to the weighted district average of grape prices for each region for the current vintage. Prices vary with the grade quality of grapes produced in each region.

Key estimate and judgement

Fair value of grapes

Key to estimating the value of grapes is the following:

- Yield estimates;
- The estimated harvest costs;
- Market prices for grapes; or
- The quality of grapes, including the impacts on harvested grapes of weather, agricultural practices and location of the vineyard.

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Notes to the consolidated financial statements: Operating assets and liabilities

For the year ended 30 June 2024

Note 13 - Intangible assets

	Brand names and licences		IT development costs		Goodwill		Total	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Cost	**2,208.2**	1,646.4	**204.2**	145.8	**1,516.5**	989.9	**3,928.9**	2,782.1
Projects in progress at cost	**-**	-	**2.7**	2.5	**-**	-	**2.7**	2.5
Accumulated amortisation and impairment	**(847.3)**	(617.4)	**(170.7)**	(114.4)	**(730.8)**	(626.1)	**(1,748.8)**	(1,357.9)
Carrying amount at end of year	**1,360.9**	1,029.0	**36.2**	33.9	**785.7**	363.8	**2,182.8**	1,426.7
Reconciliations								
Carrying amount at start of year	**1,029.0**	1,022.5	**33.9**	40.3	**363.8**	337.0	**1,426.7**	1,399.8
Additions	**-**	-	**13.9**	5.4	**-**	-	**13.9**	5.4
Business acquisitions	**572.6**	1.6	**2.6**	-	**548.8**	17.3	**1,124.0**	18.9
Disposal	**-**	-	**-**	-	**-**	-	**-**	-
(Transfers to)/from other assets classes	**-**	-	**(1.0)**	0.4	**-**	-	**(1.0)**	0.4
Amortisation	**(1.5)**	(2.6)	**(13.1)**	(12.2)	**-**	-	**(14.6)**	(14.8)
Impairment	**(228.8)**	(14.3)	**-**	-	**(115.0)**	-	**(343.7)**	(14.3)
Foreign currency translation	**(10.4)**	21.8	**(0.1)**	-	**(11.9)**	9.5	**(22.5)**	31.3
Carrying amount at end of year	**1,360.9**	1,029.0	**36.2**	33.9	**785.7**	363.8	**2,182.8**	1,426.7

Goodwill is allocated to the Cash Generating Units (CGUs) or group of CGUs (see note 15 for further details) that are expected to benefit from the synergies of the combination. The allocation of intangible assets (other than IT development costs) is as follows:

	Treasury Premium Brands		Penfolds		Treasury Americas		Total	
	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M	2024 $M	2023 $M
Goodwill								
Carrying amount at start of year	**116.1**	114.5	**111.0**	91.1	**136.7**	131.4	**363.8**	337.0
Business acquisitions	**-**	-	**-**	17.3	**548.8**	-	**548.8**	17.3
Impairment	**(115.0)**	-	**-**	-	**-**	-	**(115.0)**	-
Foreign currency translation	**(1.1)**	1.6	**1.0**	2.6	**(11.8)**	5.3	**(11.9)**	9.5
Carrying amount at end of year	**-**	116.1	**112.0**	111.0	**673.7**	136.7	**785.7**	363.8
Brand names and licences								
Carrying amount at start of year	**249.7**	265.2	**223.0**	221.3	**556.3**	536.0	**1,029.0**	1,022.5
Business acquisitions	**-**	-	**-**	1.6	**572.6**	-	**572.6**	1.6
Disposal	**-**	-	**-**	-	**-**	-	**-**	-
Amortisation	**-**	(1.5)	**-**	-	**(1.5)**	(1.1)	**(1.5)**	(2.6)
Impairment	**(228.8)**	(14.3)	**-**	-	**-**	-	**(228.8)**	(14.3)
(Transfers to)/from other asset classes	**-**	-	**-**	-	**-**	-	**-**	-
Foreign currency translation	**(3.3)**	0.3	**0.1**	0.1	**(7.2)**	21.4	**(10.4)**	21.8
Carrying amount at end of year	**17.6**	249.7	**223.1**	223.0	**1,120.2**	556.3	**1,360.9**	1,029.0

Notes to the consolidated financial statements: Operating assets and liabilities
For the year ended 30 June 2024

Note 13 - Intangible assets (continued)

Key estimate and judgement

Useful life of brand names
In assessing whether a brand has a finite or indefinite useful life, the Group makes use of information on the long-term strategy for the brand, the level of growth or decline of the markets that the brand operates in, the history of the market and the brand's position within that market.

If a brand is assessed to have a finite life, the Group will use judgement in determining the useful life of the brand including the period over which expected cash flows will continue to be derived in making that decision.

Accounting policies

Brand names and licences
Brand names are recognised as assets when purchased individually and (primarily) as part of the allocation of the purchase price when the Group acquires other businesses. Internally generated brand names are not capitalised and expenditure incurred in developing, maintaining or enhancing brand names is charged to profit or loss in the year incurred.

Brand names are initially recognised at cost when purchased individually and at fair value when acquired with a business. This fair value is determined by reference to independent valuations. Brand names are not amortised, but are tested for impairment annually.

Licenses are amortised over their expected useful life of 5-6 years, on a straight line basis.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is included in 'Other income/(expenses) in the consolidated statement of profit or loss and other comprehensive income.

Goodwill
Goodwill arises on the acquisition of businesses and represents the difference between the purchase price and share of the net assets of the acquired business, recorded at fair value.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is tested for impairment at least annually (see note 15). Any impairment pertaining to Goodwill is included within 'Other income/(expenses)' in the consolidated statement of profit or loss and other comprehensive income.

IT development and software
Other than in relation to Software-as-a-Service ("SaaS") arrangement, costs incurred in developing information technology (IT) products or systems and costs incurred in acquiring software and multi-year licenses are capitalised as intangible IT assets. They include the cost of purchased software and internal labour and contractors used in the development of software.

IT assets are carried at cost less any accumulated amortisation and are amortised over their expected useful life (2 -10 years) on a straight-line basis. Amortisation is included in 'Other income/(expenses)' in the consolidated statement of profit or loss and other comprehensive income.

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider's application software over the contract period. The following outlines the accounting treatment of implementation costs incurred in relation to SaaS arrangements:

Recognise as an operating expense over the term of the service contract	• Fee for use of application software • Customisation costs only when 'not distinct' and undertaken by SaaS vendor
Recognise as an operating expense as the service is received	• Configuration costs • Data conversion and testing • Testing costs • Training costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible IT assets.

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Notes to the consolidated financial statements: Operating assets and liabilities
For the year ended 30 June 2024

Note 14 - Assets and disposal groups held for sale

	2024 $M	2023 $M
Assets and disposal groups held for sale	**13.6**	32.9
Total assets and disposal groups classified as held for sale	**13.6**	32.9

Assets held for sale comprise property, plant and equipment identified by the Group to be recovered through sale.

Management is committed to a plan to sell a number of surplus assets in Australia, including vineyards and winemaking facilities, as well as the related property, plant and equipment. Accordingly, the vineyards and facilities have been presented as assets held for sale.

Impairment losses relating to the asset and disposal group
Impairment losses of nil (F23: nil) for the write down of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been included in 'Other income/(expenses)' in the consolidated statement of profit or loss and other comprehensive income. Refer to note 4 for other earnings disclosures.

Accounting policies

Non-current assets are classified as held for sale if their value will be recovered principally through their sale, rather than through ongoing use within the business.

Assets are not depreciated or amortised while they are classified as held for sale. They are valued at the lower of their carrying amount and fair value less costs to sell with an impairment loss recognised for any difference. A gain is recognised for any subsequent increase in value, but not in excess of any cumulative impairment loss previously recognised. Any gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at that point. The fair value of the assets is based on independent market appraisals.

Note 15 - Impairment of non-financial assets

In F24, the carrying value of the Treasury Premium Brands (TPB) division exceeds its recoverable amount and as a result, an impairment loss of $289.8 million after tax (F23: $14.3 million) to write down the value of the CGUs to their recoverable amount has been recognised in the statement of profit or loss and other comprehensive income. Refer notes 5, 9 and 13. The recoverable amount of all other CGUs exceeds their carrying value and as a result, no impairment has been recognised (F23: Nil). There were no indications previously recognised impairment losses should be reversed (F23: Nil).

The Group's CGUs are: Penfolds Americas, Penfolds ANZ, Penfolds EMEA, Treasury Americas, Treasury Premium Brands ANZ, Treasury Premium Brands EMEA, and DAOU Vineyards.

Goodwill is tested for impairment at a divisional level, which is the level it is monitored at.

Accounting policies

Timing of impairment testing
The Group tests non-financial assets for impairment
- At least annually for goodwill and indefinite life brands;
- Where there are indications that an asset may be impaired; and
- Where there is an indication that previously recognised impairments may have changed.

Approach to impairment testing
The Group completes its impairment test of non-financial assets in accordance with AASB 136 '*Impairment of Assets*'. In testing for impairment, the recoverable amount is estimated for an individual asset or CGU to which the asset belongs. CGUs are the smallest identifiable group of assets that generate cash inflows that are largely independent from the cash flows of other assets or groups of assets. Each CGU is no larger than an operating segment.

Where the carrying amount of assets contained within the CGUs exceed their recoverable amount, the assets contained within the CGU are considered impaired and written down to their recoverable amount. Recoverable amount is the higher of the asset's (or CGU's) value in use or fair value less cost of disposal.

Fair value is determined in accordance with the accounting policy set out in note 1.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or CGU. The VIU discounted cash flow model covers a five-year period (F23: five years) with an appropriate terminal value growth rate at the end of that period.

Reversals of impairment
If there is an indicator that a previously recognised impairment loss no longer exists or has decreased, recoverable amount is estimated. If there has been a change in the estimates used to determine an asset's recoverable amount since an impairment loss was recognised, the carrying value of the asset is increased to its recoverable amount (limited to the amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years).

Any reversal is recognised in the consolidated statement of profit or loss and other comprehensive income with an adjustment to depreciation in future periods to allocate the asset's revised carrying value, less any residual value, on a systematic basis over its remaining useful life. The Group does not reverse impairments recognised for goodwill.

Notes to the consolidated financial statements: Operating assets and liabilities

For the year ended 30 June 2024

Note 15 - Impairment of non-financial assets (continued)

Key estimate and judgement

Impairment testing key assumptions
The Group has estimated recoverable amount based on value in use at 30 June 2024. Key estimates and judgements include:

Cash flow forecasts
Cash flow forecasts are based on the Group's most recent five-year financial plans approved by the Board. Key assumptions in the cash flow forecasts include sales volume growth, cost of sales and cost of doing business.

The Group's assumptions regarding sales volume growth and costs of doing business are based on expectations of the market demand and past experience. The assumption on cost of sales is based on expectation about future vintage costs which assume continuity of sourcing and access to fruit.

These estimates, judgements and assumptions are based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2024 about future events that the Directors believe are reasonable in the circumstances.

Long-term growth rates
Cash flow forecasts beyond a five-year period are extrapolated using a growth rate range of 2.0% to 3.0% (F23: 2.0% to 3.0%). Growth rates are specific to individual CGUs and reflect expected future market and economic conditions.

Discount rates
The Group applies a post-tax discount rate to post-tax cash flows as the valuation calculated using this method closely approximates applying pre-tax discount rates to pre-tax cash flows. The post-tax discount rates incorporate a risk-adjustment relative to the risks associated with the net post-tax cash flows being achieved. The following pre-tax discount rates were applied:

	2024	2023
Penfolds Americas	**10.1%**	10.4%
Penfolds ANZ	**9.8%**	10.4%
Penfolds EMEA	**9.2%**	9.5%
Treasury Americas	**10.0%**	10.0%
Treasury Premium Brands ANZ	**10.6%**	10.7%
Treasury Premium Brands EMEA	**10.5%**	10.0%
DAOU Vineyards	**9.4%**	-

Exchange rates
Cash flow forecasts in foreign currency are forecast in that currency and discounted using the applicable regional discount rates (predominantly USD and GBP).

Impairment testing results
The estimates and judgements included in the calculations are based on a range of factors, including expectations of current and future trading. The growth outlook reflects moderated top-line expectations as a result of ongoing reducing consumer demand for Commercial wine across all markets and the under-performance of TPB's brands relative to the category at these Commercial price points. As a result, an impairment charge of $353.7 million (gross) was recognised for TPB ANZ and TPB EMEA, primarily recorded against the carrying value of goodwill ($115.0 million, impaired to a recoverable amount of nil) and Brands ($228.8 million, impaired to a recoverable amount of $17.6 million). Refer notes 5 and 13.

Sensitivity analysis
In F24, the recoverable amount of TPB is equal to its carrying amount. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amount to fall below carrying values.

For the remaining CGUs, based on current economic conditions and CGU performance, there are no reasonably possible changes to key assumptions used in the determination of CGU recoverable amount that would result in a material impairment to the Group.

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Notes to the consolidated financial statements: Operating assets and liabilities

For the year ended 30 June 2024

Note 16 - Provisions

	2024 $M	2023 $M
Current		
Employee entitlements	**43.1**	39.2
Other	**29.0**	62.5
Total current provisions	**72.1**	101.7

Other provisions

2024	Supply contracts $M	Restructuring $M	Other $M	Total $M
Carrying amount at start of year	33.1	23.0	6.4	62.5
Charged/(credited) to profit or loss	(5.3)	2.5	1.8	(1.0)
Payments	(17.4)	(15.3)	-	(32.7)
Foreign currency translation	-	-	0.2	0.2
Carrying amount at end of year	**10.4**	**10.2**	**8.4**	**29.0**

Other provisions include $7.5 million (F23: $5.2 million) in relation to estimated repair costs for a winery and vineyards that were damaged by wildfires in the Americas.

From time to time, supply contract provisions are held for contracts that the Group expects to incur costs related to early termination. The restructuring provision comprises costs in relation to the Group's rationalisation and restructure program.

Accounting policies

Provisions are recognised for present obligations (legal or constructive) to make future payments (or other transfer of value) to other entities due to past transactions or events. They are recognised only when it is probable the liability will arise and when a reliable estimate can be made of the amount.

If the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate plus, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employee entitlements
Liabilities for employees' entitlements to wages and salaries, annual leave and other current employee entitlements (that are expected to be paid within 12 months) are measured at amounts expected to be paid as at the reporting date.

Liabilities for other employee entitlements, which are not expected to be paid or settled within 12 months of reporting date, are accrued in respect of all employees at the present value of future amounts expected to be paid.

Restructuring
Restructuring provisions are recognised at the point when a detailed plan for the restructure has been developed and implementation has commenced. The cost of restructuring provided is the estimated future cash flows, discounted at the appropriate rate which reflects the risks of the cash flow.

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of a current employee according to a detailed formal plan without possibility of withdrawal or upon the provision of an offer to encourage voluntary redundancy.

Supply contracts
Supply contracts provisions are measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract (discounted to present value if material).

Notes to the consolidated financial statements: Capital structure

For the year ended 30 June 2024

Note 17 - Capital management

The Group considers capital to be the combination of shareholders' equity, reserves and net debt. The key objectives of the Group's approach to capital management include:

- Safeguard the Company's ability to continue as a going concern;
- Maintaining a credit profile and the requisite financial metrics that secures access to funding with a spread of maturity dates and sufficient undrawn committed facility capacity;
- Optimising over the long term, and to the extent practicable, the weighted average cost of capital to reduce the Group's cost of capital while maintaining financial flexibility; and
- To provide returns to shareholders and benefits to other stakeholders.

In order to optimise the Group's capital structure and in line with the Group's strategic objectives and operating plans, the Group may:

- Alter the amount of dividends paid to shareholders;
- Return capital to shareholders;
- Issue new shares;
- Vary discretionary capital expenditure;
- Draw-down additional debt; or
- Sell assets to reduce debt.

Various financial ratios and internal targets are assessed and reported to the Board on a regular basis by management to monitor and support the key objectives set out above. These ratios and targets include:

- An earnings to net interest expense ratio;
- A total net indebtedness to earnings before interest, tax, depreciation, amortisation and self-generating and regenerating assets ratio; and
- Group debt maturity profile.

Note 18 - Borrowings

Total borrowings consist of:	2024 $M	2023 $M
Current	**83.8**	250.7
Non-current	**2,074.7**	1,686.9
Total borrowings	**2,158.5**	1,937.6

Details of major arrangements

US Private Placement Notes and Debt Facilities

US Private Placement (USPP) notes totalling US$450 million (unsecured) are outstanding, with maturities ranging from December 2025 to September 2034. The carrying value of USPP notes at 30 June 2024 is $677.1 million (F23: $868.6 million).

In December 2023 the Group repaid USPP notes totalling US$125 million at maturity.

During the year the Group refinanced existing syndicated debt facilities of US$350 million and established additional facilities of US$300 million. Syndicated debt facilities totalling US$650 million are fully drawn at 30 June 2024, with the following maturities:

- US$125 million maturing December 2027
- US$120 million maturing June 2029
- US$120 million maturing December 2029
- US$105 million maturing December 2030
- US$180 million maturing June 2031

The carrying value of the syndicated debt facility at 30 June 2024 is $978.1 million (F23: $528.7 million).

The Group has in place several revolving bank debt facilities with maturities staggered through to September 2027. As at 30 June 2024 $9.6 million is drawn under the bank debt facilities (F23: $10.3 million).

USPP notes bear interest at fixed and floating interest rates. In accordance with the Group's risk management strategy, the Group has entered into a combination of fixed to floating and floating to fixed interest rate swaps to obtain the desired fixed/floating interest ratio. Refer to note 25 for further details.

Financial guarantees

The Group has issued financial guarantees to other persons of $21.6 million (F23: $28.8 million) that could be called upon at any time in the event of a breach of the Group's financial obligations. No payments are expected to eventuate under these financial guarantees as the Group expects to meet its respective obligations to the beneficiaries of these guarantees.

Lease liabilities

The Group enters into lease arrangements that meet the capitalisation requirements under AASB 16 *Leases*. Current and non-current lease liabilities are recognised for the present value of the lease payments due under the lease contracts and are represented as borrowings.

At 30 June 2024, the Group recognised current lease liabilities of $70.8 million (F23: $63.8 million) and non-current lease liabilities of $442.5 million (F23: $485.1 million). The Group's lease arrangements have durations up to 25 years.

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Notes to the consolidated financial statements: Capital structure

For the year ended 30 June 2024

Note 18 - Borrowings (continued)

Receivables purchasing agreement

The Group has entered into an uncommitted non-recourse receivable purchasing agreement to sell certain domestic and international receivables, from time to time, to an unrelated entity in exchange for cash. As at 30 June 2024, receivables of $15.3 million had been derecognised under this arrangement (F23: $22.9 million).

Accounting policies

Borrowings are initially recorded at fair value of the consideration received, net of directly attributable costs.

After initial recognition, borrowings are measured at amortised cost, using the effective interest rate method. Amortised cost is calculated by considering any issue costs, and any discount or premium on issuance. Gains and losses are recognised in the statement of profit or loss and other comprehensive income if borrowings are derecognised.

All balances translated to AUD	2023 $M	Total cash flows from activities $M	Additions to net debt $M	Debt revaluation and FX movements $M	2024 $M
Net debt					
Cash and cash equivalents	565.8	(132.9)	-	25.2	458.1
Loan receivable	5.8	2.2	-	-	8.0
Bank loans[1]	(539.8)	(452.5)	-	4.6	(987.7)
US Private Placement Notes (net of fair value hedge)	(868.6)	186.7	-	4.8	(677.1)
Lease liabilities	(548.9)	68.8	(27.1)	(6.1)	(513.3)
Other loan payable	(0.5)	-	-	-	(0.5)
Net debt	**(1,386.2)**	**(327.7)**	**(27.1)**	**28.5**	**(1,712.5)**

1. Loans are stated net of capitalised facility finance costs. At reporting date, the balance of bank loans is $999.4 million (F23: $546.3 million) against capitalised facility finance costs of $11.7 million (F23: $6.5 million) to be amortised over the facility period.

Note 19 - Contributed equity

	2024 $M	2023 $M
Issued and paid-up capital		
811,426,445 (F23: 721,848,176) ordinary shares, fully paid	**4,226.8**	3,280.7
Own shares held	**-**	-
	4,226.8	3,280.7
Contributed equity at the beginning of the year	**3,280.7**	3,280.7
Shares movements:		
Nil shares issued under the Dividend reinvestment plan (F23: nil)	**-**	-
Nil shares issued for vested Long Term Incentive Plan and Share Cellar plan (F23: nil)	**-**	-
76,428,231 ordinary shares issued, net of transaction costs (F23: Nil)	**807.0**	-
13,150,038 ordinary shares issued as consideration for business acquisition	**139.1**	-
Net movement in own shares held	**-**	-
Contributed equity at the end of the period	**4,226.8**	3,280.7

The shares have no par value.

Notes to the consolidated financial statements: Capital structure

For the year ended 30 June 2024

Note 19 - Contributed equity (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax from the proceeds.

Purchase of shares for LTIP plans

The Group engages a third party to purchase shares in the Company to be used to satisfy share-based payment obligations upon vesting under the Group's Employee Equity Plans. Historically, such commitments were satisfied by way of treasury share purchases (i.e. the Group acquiring shares on market directly). There are no treasury shares held at 30 June 2024 (F23: Nil).

Under this arrangement during the period, the Group purchased 0.5 million shares ($5.3 million) (F23: 1.6 million shares ($21.8 million)). A total of 0.8 million shares (F23: 1.5 million) purchased under the third-party arrangement are available at 30 June 2024.

Note 20 - Commitments

Details of the Group's lease commitments are captured in Lease Liabilities disclosed within Borrowings (note 18) and the impact of short-term and low value leases is captured in note 11.

Capital expenditure and other commitments	2024 $M	2023 $M
The following expenditure has been contracted but not provided for in the financial statements:		
Capital expenditure	**19.4**	42.2

Note 21 - Reserves

	2024 $M	2023 $M
Cash flow hedge reserve	**27.8**	35.3
Share based payments reserve	**(55.5)**	(52.4)
Foreign currency translation reserve	**109.9**	151.6
Total reserves	**82.2**	134.5

Cash flow hedge reserve

This reserve records the effective portion of gains or losses from open cash flow hedges.

Share based payment reserve

This reserve records amounts offered to employees under Long-term Incentive Plans (ELT LTIP & GLG LTIP), Restricted Equity Plan (REP), deferred Short-term Incentive Plan (STIP) and Share Cellar plan.

Foreign currency translation reserve

This reserve holds exchange differences arising on translation of foreign subsidiaries, as described in note 1.

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Notes to the consolidated financial statements: Capital structure

For the year ended 30 June 2024

Note 22 - Employee equity plans

	STIP (restricted shares)	ELT LTIP (performance rights)	GLG LTIP (performance rights)	MTIP (performance rights)	REP (restricted shares/ deferred share rights)	Share Cellar (broad-based employee share plan)
Outstanding at the beginning of the year	**199,065**	**1,935,312**	**1,152,793**	**160,436**	**27,222**	**257,070**
Granted during the year	91,476	906,407	973,939	-	125,340	217,202
Exercised during the year	(128,254)	(171,922)	-	(160,436)	(22,401)	(135,250)
Forfeited during the year	-	(845,954)	(208,324)	-	-	(19,252)
Outstanding at the end of the year	**162,287**	**1,823,843**	**1,918,408**	**-**	**130,161**	**319,770**
Exercisable at the end of the year	-	-	-	-	-	-

The Group operates equity plans as outlined below:

STIP Restricted Equity

One-third of earned STIP is delivered in the form of deferred equity (Restricted Shares). The key terms of this award are:

- Subject to a mandatory restriction period and continued employment. Half of the award is restricted for one year and the remaining half for two years from grant date;
- Holders of Restricted Shares are entitled to dividends and to exercise their voting rights during the restriction;
- Will generally be forfeited if the executive is dismissed for cause or resigns. Clawback mechanisms apply.

ELT LTIP

Under the ELT LTIP, members of the Executive Leadership Team receive Performance Rights which entitle participants to receive the Company's shares at no cost subject to the achievement of performance conditions and continued employment. No dividends are payable to participants prior to vesting and Performance Rights will generally be forfeited if the executive is dismissed for cause or resigns. Clawback mechanisms apply.

The performance conditions are:

- Relative Total Shareholder Return (TSR);
- Return on Capital Employed (ROCE) growth; and
- Earnings per Share (EPS) compound annual growth rate.

The F22 ELT LTIP Performance Rights are subject to TSR and ROCE targets weighted of 25% for TSR and 75% for ROCE over a performance period of 3 years. The F23 and F24 LTIP Performance Rights are subject to TSR (20%), ROCE (40%) and EPS (40%) over a performance period of 3 years. The F22 ELT LTIP partially vested as the TSR threshold was met, however the ROCE threshold was not met.

Global Leadership Group (GLG) LTIP

The Group awarded a GLG LTIP grant in F23 and F24 to senior leaders included in the Global Leadership Group. Under the GLG LTIP, employees receive Performance Rights which entitle the participant to receive shares at no cost subject to the achievement of performance conditions and continuing employment. No dividends are payable to participants prior to vesting and Performance Rights will generally be forfeited if the employee is dismissed for cause or resigns. Clawback mechanisms apply.

The F23-F24 Performance Rights are subject to three vesting conditions: time-based (50%), EBITS (25%) and EBITS Margin (25%) over a performance period of 3 years.

Mid-Term Incentive Plan (MTIP)

The Group ceased to operate its MTIP equity incentive in F22, with a final award of MTIP granted in F22 to senior leaders. Under the MTIP, employees received Performance Rights which entitled the participant to receive shares at no cost subject to the achievement of performance conditions and continuing employment. No dividends are payable to participants prior to vesting and Performance Rights will generally be forfeited if the executive is dismissed for cause or resigns. Clawback mechanisms apply.

The F22 MTIP had 2 equal vesting conditions: time-based (50%) and ROCE (50%) over a performance period of 2 years. For the time-based conditions, half vested in 1 year (25%) and half in 2 years (25%). Vesting conditions for the F22 MTIP were tested at the end of F23. The vesting of the second time-based tranche (25%) and the lapsing of the ROCE component (due to this performance measure not being met) occurred in F24 and no further MTIP grants have been made.

Restricted Equity Plan (REP)

Under the REP certain employees receive a grant of restricted equity awards in the form of Restricted Shares. If Restricted Shares cannot be awarded (e.g. due to country specific regulation) Deferred Share Rights are granted. The award is at no cost to the employee and is subject to a restriction period. Restricted equity awards require continued employment with the Group through the restriction period. Other terms are similar to the STIP terms above.

Restricted equity awards may be granted to compensate employees for foregoing equity compensation in their previous organisation as a sign-on award and/or as a retention incentive.

Share Cellar (broad-based Employee Share Plan)

Share Cellar is the Group's broad-based Employee Share Plan and plan participation is offered annually. The plan was first launched early in 2015. Participation is voluntary and employees in select countries are eligible to join the Plan. Share Cellar operates as a matching plan whereby employees contribute funds to the Plan from their after-tax pay and shares are acquired by the Group on their behalf. For employees enrolling in the F22-F24 plans, the Group delivers one matched share for every purchased share held at the plan vesting date, subject to continued employment.

Participants are entitled to dividends and to exercise voting rights attached to the shares purchased under the plan, and matched shares once they have been allocated.

Notes to the consolidated financial statements: Capital structure

For the year ended 30 June 2024

Note 22 - Employee equity plans (continued)

Accounting policies

Employee equity plans are accounted for as share based payments, whereby employees render services in exchange for the awards. The fair value of the shares and performance rights that are expected to vest is progressively recognised as an employee benefits expense over the relevant vesting period with a corresponding increase in equity.

The fair value of shares granted is determined by reference to observed market values. The fair value of the TSR component of performance rights is independently determined at valuation date by an external valuer using a Monte-Carlo simulation. For the non-market components (ROCE, EPS, EBITS and EBITS Margin), the fair value is independently determined based on the share price less the present value of dividends.

Non-market performance conditions do not impact the value of shares and performance rights, but rather the estimate of the number of shares to vest.

At each reporting date the Group revises the estimate of the number of shares and the non-market component of performance rights that are expected to vest, and the employee benefits expense recognised each period incorporates this change in estimate.

An expense is recognised for the TSR component of performance rights whether or not the TSR hurdle is met. No expense is recognised if these rights do not vest due to cessation of employment. No expense is recognised for shares and non-market components of performance rights that do not ultimately vest.

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Active share-based payment plans:

Long-term Incentive Plans

The below table outlines the F24 and F23 ELT LTIP plans which have a vesting date post 30 June 2024:

Valuation date	F24 Plan 16-Oct-23	F24 Plan 11-Aug-23	F23 Plan 1-Nov-22
Valuation date share price	**$11.59**	**$11.70**	$13.03
Expected share price volatility (%)	**25**	**25**	40
Expected dividend yield (%)	**3.1**	**3.1**	2.6
Risk-free interest rate (%)	**3.98**	**3.74**	3.36
Fair value estimate at valuation date - TSR	**$7.17**	**$6.66**	$9.12
Fair value estimate at valuation date - ROCE	**$10.68**	**$10.72**	$12.16
Fair value estimate at valuation date - EPS	**$10.68**	**$10.72**	$12.16

The below table outlines the F24 and F23 GLG LTIP plans which have a vesting date post 30 June 2024:

Valuation date	F24 Plan 11-Aug-23	F23 Plan 1-Oct-22
Valuation date share price	**$11.70**	$12.57
Expected dividend yield (%)	**3.1**	2.6
Fair value estimate at valuation date – EBITS & EBITS Margin	**$10.72**	$11.70
Fair value estimate time-based	**$10.67**	$11.65

TREASURY WINE ESTATES ANNUAL REPORT 2024

Notes to the consolidated financial statements: Capital structure

For the year ended 30 June 2024

Note 22 - Employee equity plans (continued)

Restricted Equity Plans

Valuation date		Valuation date share price
F23	1-Oct-22	**$12.57**
F24	31-Aug-23	**$11.67**
	1-Dec-23	**$10.61**
	16-Feb-24	**$11.40**

Note 23 - Non-controlling interest

The Group only discloses subsidiaries where there is a material non-controlling interest, being SAS Domaines Bouteiller. The shareholders of the NCI have a put option to sell their non-controlling interest $18.1 million (F23: $18.1 million).

	SAS Domaines Bouteiller 2024 $M	SAS Domaines Bouteiller 2023 $M
NCI percentage	**21.4%**	21.4%
Non-current assets	**60.0**	62.0
Current assets	**21.5**	20.1
Non-current liabilities	**15.0**	16.0
Current liabilities	**6.4**	4.9
Net assets	**60.1**	61.2
Net assets attributable to NCI	**12.9**	13.1
Revenue	**4.0**	0.9
Profit/(loss) after tax	**0.2**	(1.0)
Other comprehensive income/(loss)	**(1.1)**	2.8
Total comprehensive income/(loss)	**(0.9)**	1.8
Profit/(loss) allocated to NCI	**0.0**	(0.2)
Other comprehensive income/(loss) allocated to NCI	**(0.2)**	0.6
Cash flows from operating activities	**2.0**	(0.7)
Cash flows from investment activities	**(2.6)**	(2.5)
Cash flows from financing activities (dividends to NCI: nil)	**-**	-
Net increase (decrease) in cash and cash equivalents	**(0.6)**	(3.2)

The Consolidated Statement of Profit or Loss and other Comprehensive Income reflects the results of all non-controlling interests as outlined in Note 28, including those not material to the Group.

Notes to the consolidated financial statements: Taxation

For the year ended 30 June 2024

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Note 24 - Income tax

	2024 $M	2023 $M
The major components of income tax expense are:		
Statement of profit or loss		
Current income tax expense	**109.6**	57.9
Deferred income tax expense	**(40.3)**	24.8
Total tax expense	**69.3**	82.7
Deferred income tax expense included in the income tax expense comprises:		
(Decrease)/increase in deferred tax assets	**30.8**	1.0
(Decrease)/increase in deferred tax liabilities	**(71.1)**	23.8
Deferred income tax	**(40.3)**	24.8

Tax reconciliation

The amount of income tax expense as shown in the consolidated statement of profit or loss and other comprehensive income differs from the prima facie income tax expense attributable to earnings. The differences are reconciled as follows:

	2024 $M	2023 $M
Profit before tax excluding material items	**572.5**	446.2
Material items before tax	**(404.2)**	(109.2)
Profit before tax	**168.3**	337.0
Prima facie income tax expense attributable to profit from operations calculated at the rate of 30% (F23: 30%)	**50.5**	101.1
Tax effect of:		
Non-taxable income and profits, net of non-deductible expenditure	**8.3**	1.8
Impairment of non-current assets	**34.0**	4.3
Other deductible items	**(0.3)**	(2.3)
Tax losses recognised	**-**	(4.3)
Change in tax rate	**(0.6)**	(0.1)
Foreign tax rate differential	**(4.1)**	(10.0)
Other	**(17.1)**	(4.3)
Under/(over) provisions in previous years	**(1.4)**	(3.5)
Total tax expense	**69.3**	82.7
Income tax expense on operations	**155.4**	115.9
Income tax benefit attributable to material items	**(86.1)**	(33.2)
Income tax expense	**69.3**	82.7

Deferred income tax relates to the following:

Deferred tax assets

The balance comprises temporary differences attributable to:

	2024 $M	2023 $M
Inventory	**5.5**	1.1
Property, plant and equipment (including vines)	**4.6**	-
Lease liabilities[1]	**126.7**	135.0
Accruals	**48.4**	32.5
Provisions	**24.7**	36.7
Foreign exchange	**16.3**	11.2
Tax losses	**26.1**	37.4
Other	**11.3**	7.8
Total deferred tax assets	**263.6**	261.7
Less set-off against deferred tax liabilities[1,2]	**(147.0)**	(232.8)
Net deferred tax assets	**116.6**	28.9

Notes to the consolidated financial statements: Taxation

For the year ended 30 June 2024

Note 24 - Income tax (continued)

Deferred tax liabilities

The balance comprises temporary differences attributable to:

	2024 $M	2023 $M
Inventory	**14.8**	13.8
Property, plant and equipment (including vines)	**97.9**	106.1
Intangibles	**193.1**	225.4
Right-of-use assets[1]	**97.4**	95.2
Other	**31.4**	37.9
Total deferred tax liabilities	**434.6**	478.4
Less set-off against deferred tax assets[1,2]	**(147.0)**	(232.8)
Net deferred tax liabilities	**287.6**	245.6

1. In line with the amendment to AASB 112, deferred tax arising from the right-of-use assets and lease liabilities have been presented on a gross basis. Historically these were netted.
2. Deferred tax balances have been set-off to the extent that they relate to the same tax authority $(147.0) million (F23: $(137.6) million).

Movements in deferred income tax relate to the following:

Movement in deferred tax assets:

	2024 $M	2023 $M
Opening balance	**261.7**	163.5
(Charged) to profit or loss	**(30.8)**	(1.0)
Recognised directly in equity	**(1.2)**	(0.8)
Business acquisitions	**30.6**	1.0
Balance sheet reclassification	**2.1**	(1.2)
Foreign currency translation	**(0.7)**	5.6
Accounting standard change	**-**	95.2
Other	**1.9**	(0.6)
Total deferred tax assets	**263.6**	261.7
Less set-off against deferred tax liabilities[1,2]	**(147.0)**	(232.8)
Net deferred tax assets	**116.6**	28.9

Movement in deferred tax liabilities:

	2024 $M	2023 $M
Opening balance	**478.4**	338.7
(Credited)/charged to profit or loss	**(71.1)**	23.8
Recognised directly in equity	**(4.4)**	0.5
Business acquisitions	**30.6**	8.4
Transfer (to)/from Assets Held for Sale	**-**	5.4
Balance sheet reclassification	**2.1**	(1.2)
Foreign currency translation	**(1.1)**	8.1
Accounting standard change	**-**	95.2
Other	**0.1**	(0.5)
Total deferred tax liabilities	**434.6**	478.4
Less set-off against deferred tax assets[1,2]	**(147.0)**	(232.8)
Net deferred tax liabilities	**287.6**	245.6

Amounts recognised directly in equity

	2024 $M	2023 $M
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly credited to equity	**3.2**	(1.3)

Notes to the consolidated financial statements: Taxation

For the year ended 30 June 2024

Note 24 - Income tax (continued)

Current tax position
The current tax asset of $12.0 million (F23: $24.4 million) and current tax liability of $77.0 million (F23: $18.7 million) reflect the difference between the timing of instalment payments made during the year and the estimated final tax receivable/liability. Current tax assets and liabilities are only offset where they relate to the same tax authority.

Unrecognised tax assets
There are potential future income tax benefits relating to accumulated losses in non-Australian group companies, which have not been brought to account. These possible benefits amount to $34.8 million (F23: $34.5 million).

The Group has carry forward capital tax losses in Australia and the UK respectively. These losses may be used to offset any future capital gains derived by activities in these countries. The Group will assess the conditions for deductibility imposed by the tax laws of Australia and the UK prior to any utilisation of the capital losses.

Ongoing tax audits
The Group is subject to ongoing tax audits by taxation authorities in several jurisdictions covering a variety of taxes. The Group fully cooperates with these enquiries as and when they arise.

Franking credits
The Australian Tax Consolidation Group has $0.8 million (F23: $67.0 million) of franking credits available for subsequent reporting periods.

OECD global minimum tax framework
The Group operates in 11 countries (Japan, United Kingdom, Denmark, France, Italy, South Korea, Malaysia, Netherlands, New Zealand, Norway and Sweden) which have either enacted or substantively enacted new tax legislation to implement the Pillar Two global minimum top-up tax (top-up tax), which seeks to apply a 15% global minimum tax. The Group does not expect to be subject to material top-up tax in relation to its operations in any of these countries.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax if it is incurred from 1 July 2024. The Group continues to monitor and evaluate domestic implementation of Pillar Two by relevant countries of the OECD and based on the information available at this point in time, the exposure to the additional taxation under Pillar Two is not estimated to be material for the Group.

Key estimate and judgement

Taxation
The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are some transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Accounting policies

Current taxes
Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, taxation authorities at the tax rates and tax laws enacted or substantively enacted by the reporting date.

Deferred taxes
Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, carried forward unused tax assets and unused tax losses, to the extent it is probable that they will be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it will become probable that future taxable profit will allow the deferred tax asset to be recovered.

The carrying amount of deferred income tax assets is reviewed at balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to utilise them.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences at balance sheet date between accounting carrying amounts and the tax bases of assets and liabilities, other than for:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss or on the recognition of goodwill; and
- Foreign taxes which may arise in the event of retained profits of foreign controlled entities being remitted to Australia as there is no present intention to make any such remittances.

Deferred tax assets and deferred tax liabilities associated with indefinite life intangibles such as brand names are measured based on the tax consequences that would follow from the use and sale of that asset.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Offsetting deferred tax balances
Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

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Notes to the consolidated financial statements: Taxation

For the year ended 30 June 2024

Note 24 - Income tax (continued)

Accounting policies (continued)

Deferred taxes arising from a single transaction
The Group has adopted *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to AASB 12)* from 1 July 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences such as leases. For leases, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Group previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Group has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the consolidated statement of financial position nor opening retained earnings because the balances qualify for offset under paragraph 74 of AASB 12. The key impact for the Group relates to disclosure of the deferred tax assets and liabilities recognised.

Notes to the consolidated financial statements: Risk

For the year ended 30 June 2024

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Note 25 - Financial risk management

Financial risk management framework

The Group's financial risk management policies ('Group Treasury Policies') cover risk tolerance, internal controls (including segregation of duties), delegated authority levels, management of foreign currency, interest rate and counterparty credit exposures, and the reporting of exposures. These policies are reviewed at least annually and approved by the Board of Directors.

The centralised Group Treasury function has been delegated operational responsibility for the identification and management of financial risks.

The Group holds financial instruments from financing (principally borrowings), transactions (trade receivables and payables) and risk management (derivatives) which result in exposure to the following financial risks, covered by the Group Treasury Policies:

- Liquidity risk;
- Interest rate risk;
- Foreign exchange risk; and
- Counterparty credit risk.

The following table outlines how these risks impact Group financial assets and liabilities:

	Note	Liquidity risk (a)	Interest rate risk (b)	Foreign exchange risk (c)	Credit risk (d)
Net borrowings	18	x	x	x	x
Receivables	9		x	x	x
Other financial assets	9			x	x
Payables	9	x		x	
Derivative financial assets and liabilities	26		x	x	x

(a) Liquidity risk

Nature of the risk

The Group is exposed to liquidity risk primarily from its core operating activities. The Group's focus is to ensure it is able to meet financial obligations as and when they fall due.

Risk management

The Group ensures the maintenance, at all times, of an appropriate minimum level of liquidity, comprising committed, unutilised debt facilities and cash resources. To facilitate this, the Group monitors forecast and actual cash flows, performs sensitivity analysis as well as monitoring the availability and cost of debt and equity funding.

The Group's objective is to balance continuity of funding and flexibility by maintaining an appropriately structured debt maturity profile with a mix of bank and capital (bond) market debt, whilst also monitoring compliance with the Group's key financial covenants and undertakings.

At reporting date, the standby arrangements and unused credit facilities are as follows:

	2024 $M	2023 $M
Committed facilities		
Available facilities	**2,400.7**	2,216.9
Amounts utilised	**(1,670.6)**	(1,416.0)
Amount unutilised	**730.1**	800.9

The Group is in compliance with all undertakings under its various financing arrangements.

TREASURY WINE ESTATES ANNUAL REPORT 2024

Notes to the consolidated financial statements: Risk

For the year ended 30 June 2024

Note 25 - Financial risk management (continued)

(a) Liquidity risk (continued)

Level of exposure at balance date

The following tables analyse the maturities of the Group's contractual undiscounted cash flows arising from its material financial liabilities and derivative financial instruments.

	Maturing in: 6 months or less $M	6 months to 1 year $M	1 to 2 years $M	2 to 5 years $M	Over 5 years $M	Contractual total $M	Carrying amount $M
2024							
Non-derivative financial liabilities							
Bank loans[1]	**33.3**	**30.3**	**53.5**	**503.4**	**654.8**	**1,275.3**	**987.7**
Lease liabilities	**41.9**	**48.5**	**91.8**	**230.2**	**243.5**	**655.9**	**513.3**
Other loans	**-**	**-**	**0.5**	**-**	**-**	**0.5**	**0.5**
US Private Placement Notes	**12.5**	**11.5**	**96.6**	**273.5**	**426.7**	**820.8**	**677.1**
Trade payables	**314.0**	**-**	**-**	**-**	**-**	**314.0**	**314.0**
Other payables	**479.8**	**-**	**-**	**-**	**-**	**479.8**	**479.8**
Derivative financial liabilities							
Foreign exchange contracts	**2.8**	**1.0**	**0.2**	**-**	**-**	**4.0**	**4.0**
Interest rate and cross currency swaps	**0.1**	**7.5**	**15.1**	**48.2**	**(2.1)**	**68.8**	**40.2**
Total financial liabilities	**884.4**	**98.8**	**257.7**	**1,055.3**	**1,322.9**	**3,619.1**	**3,016.6**
2023							
Non-derivative financial liabilities							
Bank loans[1]	18.4	18.1	30.4	585.5	-	652.4	539.8
Lease liabilities	40.2	45.3	89.2	234.8	306.5	716.0	548.9
Other loans	-	-	0.5	-	-	0.5	0.5
US Private Placement Notes	205.5	11.6	23.2	281.9	518.0	1,040.2	868.6
Trade payables	339.9	-	-	-	-	339.9	339.9
Other payables	369.8	-	-	-	-	369.8	369.8
Derivative financial liabilities							
Foreign exchange contracts	3.6	3.0	2.8	0.4	-	9.8	9.8
Interest rate and cross currency swaps	5.0	6.7	10.6	2.5	0.4	25.2	20.3
Total financial liabilities	982.4	84.7	156.7	1,105.1	824.9	3,153.8	2,697.6

1. Loans are stated net of capitalised facility finance costs. At reporting date, the balance of bank loans is $999.4 million (F23: $546.3 million) against capitalised facility finance costs of $11.7 million (F23: $6.5 million) to be amortised over the facility period.

(b) Interest rate risk

Nature of the risk

The Group is exposed to interest rate risk principally from floating rate bank borrowings. Other sources of interest rate risk include receivable purchasing agreements, interest-bearing investments, creditors' accounts offering a discount and debtors' accounts on which discounts are offered.

Risk management

We manage interest rate risk by ensuring that the sensitivity of forecast future earnings to changes in interest rates is within acceptable limits. This involves longer term forecasting of both expected earnings and expected borrowing to determine the tolerable exposure.

A combination of interest rate swaps have been exchanged to obtain the desired ratio of fixed and floating interest rates. At 30 June 2024, interest rate swap contracts were in use to exchange fixed interest rates on $225.7 million (US$150.0 million) of US Private Placement notes to floating rates. Subsequently a combination of floating to fixed interest rate swaps have been used to exchange the floating rates to fixed on US Private Placement notes totalling US$150.0 million. The swaps mature between December 2027 and June 2029. Cross currency interest rate swaps have been used to exchange floating USD interest obligations on the US$650 million syndicated Term Loan into AUD fixed and floating rates with maturities ranging from December 2027 through to June 2031. Refer to note 25(a) for the profile and timing of cash flows over the next five years.

Notes to the consolidated financial statements: Risk

For the year ended 30 June 2024

Note 25 - Financial risk management (continued)

(b) Interest rate risk (continued)

The Group's exposure to variable interest rate risk results from the following financial instruments at balance sheet date:

	2024 $M	2023 $M
Financial assets		
Cash and cash equivalents	**458.1**	565.8
Total assets	**458.1**	565.8
Financial liabilities		
US Private Placement Notes[1]	**150.5**	75.5
Bank loans[1]	**797.5**	166.2
Total liabilities	**948.0**	241.7

1. Net of hedged amounts.

Sensitivity analysis

The table below shows the impact by currency denomination if the Group's weighted average floating interest rates change from the year-end rates of 5.33% (F23: 5.01%) with all other variables held constant.

	Sensitivity		Pre-tax impact on profit			
	2024	2023	2024		2023	
Currency			+$M	-$M	+$M	-$M
USD	**+ / - 25bp**	+ / - 25bp	**(0.12)**	**0.12**	0.3	(0.3)
AUD	**+ / - 25bp**	+ / - 25bp	**0.61**	**(0.61)**	0.7	(0.7)
GBP	**+ / - 25bp**	+ / - 25bp	**0.05**	**(0.05)**	-	-

The movements in profit on a consolidated level are primarily a result of interest costs from borrowings. There would have been no significant impact on equity.

(c) Foreign exchange risk

Nature of the risk

The Group is exposed to foreign exchange risk through:

- Transaction exposures including sales of wine into export markets and the purchase of production inputs, denominated in foreign currencies other than the respective functional currency of the specific Group entity;
- Exposures arising from borrowings denominated in foreign currencies; and
- Translation exposures including earnings of foreign subsidiaries and revaluation of monetary assets and liabilities, including borrowings.

The currencies in which these transactions are primarily denominated are the Australian Dollar (AUD), United States Dollar (USD), Great British Pound (GBP) and New Zealand Dollar (NZD).

Other currencies used include the Canadian Dollar, Euro, Singapore Dollar, Swedish Krona, Norwegian Krone and Chinese Renminbi.

Risk management

The focus of the Group's foreign exchange risk management activities is on the transactional exposures arising from the sourcing and sale of wine. A proportion of expenses are hedged over time up to a period of three years. The nominal amount and average price of the instruments in place at 30 June 2024 are disclosed in the following table. In determining the amount of hedging required, the Group also considers the 'natural hedges' arising from the underlying net cash flows in the relevant currency, comprising operating, investing and financing cash flows.

Details of the Group's open hedges at balance sheet date are shown below.

Open foreign currency hedges at 30 June 2024 Currency	Hedge type	Hedge value (notional AUD) $M	Average hedge rate
AUD/USD	Forwards	36.3	0.6821
	Options	87.7	0.6895
	Total	**124.0**	
AUD/GBP	Forwards	56.3	0.5348
	Options	62.1	0.5455
	Total	**118.4**	
NZD/USD	Forwards	13.9	0.5878
	Options	-	-
	Total	**13.9**	

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Notes to the consolidated financial statements: Risk

For the year ended 30 June 2024

Note 25 - Financial risk management (continued)

(c) Foreign exchange risk (continued)

Level of exposure at balance date

At the reporting date, the Group's financial assets and liabilities were denominated across the following currencies:

All balances translated to AUD	AUD $M	USD $M	GBP $M	Other $M	Total $M
2024					
Net debt					
Cash and cash equivalents	242.2	104.2	0.8	110.9	458.1
Loan receivable	-	0.3	-	7.7	8.0
Bank loans[2]	1.4	(973.9)	-	(15.2)	(987.7)
US Private Placement Notes (net of fair value hedge)	-	(677.1)	-	-	(677.1)
Lease liabilities	(73.2)	(417.8)	(1.1)	(21.2)	(513.3)
Other loan payable	(0.5)	-	-	-	(0.5)
Net debt	**169.9**	**(1,964.3)**	**(0.3)**	**82.2**	**(1,712.5)**
Other financial assets/(liabilities)					
Trade receivables (net of allowance for expected credit loss)	273.4	143.0	72.1	60.5	549.0
Other receivables	20.2	35.7	0.1	2.6	58.6
Trade and other payables	(321.2)	(310.2)	(63.8)	(98.6)	(793.8)
Net other assets/(liabilities)	**(27.6)**	**(131.5)**	**8.4**	**(35.5)**	**(186.2)**
2023					
Net debt					
Cash and cash equivalents	292.6	196.2	-	77.0	565.8
Loan receivable	-	0.3	-	5.5	5.8
Bank loans[2]	1.3	(522.0)	-	(19.1)	(539.8)
US Private Placement Notes (net of fair value hedge)	-	(868.6)	-	-	(868.6)
Lease liabilities	(86.6)	(447.1)	(1.6)	(13.6)	(548.9)
Other loan payable	(0.5)	-	-	-	(0.5)
Net debt	206.8	(1,641.2)	(1.6)	49.8	(1,386.2)
Other financial assets/(liabilities)					
Trade receivables (net of allowance for expected credit loss)	223.1	80.4	66.5	70.9	440.9
Other receivables	26.4	68.9	-	4.4	99.7
Trade and other payables	(334.3)	(232.0)	(60.1)	(83.3)	(709.7)
Net other assets/(liabilities)	(84.8)	(82.7)	6.4	(8.0)	(169.1)

2 - Includes capitalised borrowing costs of $11.7 million (F23: $6.5 million).

Notes to the consolidated financial statements: Risk
For the year ended 30 June 2024

Note 25 - Financial risk management (continued)

(c) Foreign exchange risk (continued)

Sensitivity analysis

The following table illustrates the impact of potential foreign exchange movements on profit before tax and the statement of financial position at 30 June:

Currency	Sensitivity Assumption[3]		Pre-tax impact on profit $M				Impact on equity $M			
	2024	2023	2024		2023		2024		2023	
			+	–	+	–	+	–	+	–
United States Dollar	**9.4%**	9.9%	**(0.2)**	**0.2**	0.3	(0.4)	**(186.0)**	**223.3**	(98.6)	119.5
Great Britain Pound	**7.1%**	8.0%	**(0.9)**	**1.0**	(0.9)	1.1	**(26.4)**	**28.2**	(29.2)	32.5
Euro	**7.1%**	8.0%	**3.0**	**3.5**	(1.9)	2.2	**6.2**	**(5.6)**	6.4	(5.9)
Canadian Dollar	**6.4%**	7.3%	**-**	**-**	-	-	**-**	**-**	-	-
New Zealand Dollar	**5.0%**	5.6%	**-**	**-**	-	-	**(6.4)**	**7.0**	(7.0)	7.9

3. Australian dollar versus individual currencies. Implied one-year currency volatility at reporting date (Source: Bloomberg).

(d) Credit risk

Nature of the risk

Counterparty credit risk arises primarily from the following assets:

- Cash and cash equivalents;
- Trade and other receivables; and
- Derivative instruments.

Risk management

The Group's counterparty credit risk management philosophy is to limit the Group's loss from default by any one counterparty by dealing only with financial institution counterparties of good credit standing, setting maximum exposure limits for each counterparty, and taking a conservative approach to the calculation of counterparty credit limit usage. Where available, credit opinions on counterparties from two credit rating agencies are used to determine credit limits.

The Group assesses the credit quality of individual customers prior to offering credit terms and continues to monitor on a regular basis. Each customer is assigned a risk profile based upon the measurable risk indicators for dishonoured payments, adverse information and average days late along with the securities and guarantees held. All prospective accounts are required to complete a credit application and generally a director's guarantee is required with minimal exceptions. Failure to provide a director's guarantee results in either no credit or a limited level of credit offered. Credit terms may be reduced or extended for individual customers based on risk.

In F24 the Group, as part of its normal monitoring of the credit quality of trade receivables, continued frequent telephone contact and engagement with customers to understand customer trading and credit circumstances, and supporting them through any short-term challenges identified. The Group also continued to monitor customer credit risk assessments across the entire customer portfolio.

Past due accounts are subject to a number of collection activities which range from telephone contact, suspension of orders through to legal action. Past due accounts are reviewed monthly with specific focus on accounts that are greater than 90 days overdue. Where debt cannot be recovered, it is escalated from the credit representative to the credit manager to initiate recovery action.

For derivatives, the Group transacts under an International Swaps and Derivatives Association (ISDA) master netting agreement. If a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

Level of exposure at balance date

The maximum counterparty credit risk exposure at 30 June 2024 in respect of derivative financial instruments was $19.0 million (F23: $23.3 million) and in respect of cash and cash equivalents was $110.0 million (F23: $113.9 million). The Group's authorised counterparties are restricted to banks and financial institutions whose long-term credit rating is at or above a Standard and Poors rating of A- (or Moody's equivalent rating of A3), with any exceptions requiring approval from the Board. Commercial paper investments are restricted to counterparties whose short-term credit rating is at or above a Standard and Poor's rating of A-2 (or Moody's equivalent rating of P-2). The magnitude of credit risk in relation to receivables is generally the carrying amount, net of any allowance for expected credit loss.

The ageing of the consolidated Group trade receivables (net of provisions) is outlined below:

	2024 $M	2023 $M
Not past due	**509.7**	378.5
Past due 1-30 days	**34.3**	50.9
Past due 31-60 days	**3.1**	5.6
Past due 61 days+	**1.9**	5.9
Total	**549.0**	440.9

Trade receivables have been aged according to their due date. Terms may be extended on a temporary basis with the approval of management. The past due receivables shown above relate to customers who have a good debt history and are considered recoverable. There is no collateral held as security against the receivables above and there are no other receivables past due.

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Notes to the consolidated financial statements: Risk
For the year ended 30 June 2024

Note 26 - Derivative financial instruments

The derivative financial instruments of the Group are as follows:

	2024 $M	2023 $M
Derivative assets		
Cash flow hedges		
Interest rate swaps	**22.2**	47.3
Cross currency swaps	**21.6**	24.6
Foreign exchange contracts	**1.6**	11.0
Total	**45.4**	82.9
Derivative liabilities		
Cash flow hedges		
Cross currency swaps	**20.1**	–
Foreign exchange contracts	**4.0**	18.1
Fair value hedges		
Cross currency swaps	**4.2**	–
Interest rate swaps	**15.9**	20.3
Total	**44.2**	38.4

These instruments are regarded as Level 2 under AASB's Fair Value measurement hierarchy.

Note 27 - Fair values

The fair value of the US Private Placement Notes is $710.9 million (F23: $904.8 million) and the fair value of the syndicated debt facility is $1,049.2 million (F23: $552.7 million). The fair values of cash and cash equivalents, financial assets and other financial liabilities approximate their carrying value. There have been no reclassifications of financial assets from fair value to cost, or from cost or amortised cost to fair value during the year.

The fair values of derivative financial instruments are based upon market prices, or models using inputs observed from the market, where markets exist or have been determined by discounting the expected future cash flows by the current interest rate for financial assets and financial liabilities with similar risk profiles (a Level 2 valuation).

The valuation of derivative financial assets and liabilities reflects the estimated amounts which the Group would be required to pay or receive to terminate the contracts (net of transaction costs) or replace the contracts at their current market rates at reporting date. This is based on internal valuations using standard valuation techniques.

As the purpose of these derivative financial instruments is to hedge the Group's underlying assets and liabilities denominated in foreign currencies and to hedge against risk of interest rate fluctuations, it is unlikely in the absence of abnormal circumstances that these contracts would be terminated prior to maturity.

For all other recognised financial assets and financial liabilities, based on the facts and circumstances existing at reporting date and the nature of the Group's financial assets and financial liabilities including hedge positions, the Group has no reason to believe that the financial assets could not be exchanged, or the financial liabilities could not be settled, in an arm's length transaction at an amount approximating its carrying amount.

Notes to the consolidated financial statements: Group composition

For the year ended 30 June 2024

Note 28 - Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries:

Entity name	Country of incorporation
Equity holding of 100% (F23: 100%)	
Aldershot Nominees Pty. Ltd.*	Australia
B Seppelt & Sons Limited*	Australia
Beringer Blass Distribution S.R.L.	Italy
Beringer Blass Italia S.R.L.	Italy
Beringer Blass Wine Estates Chile Limitada	Chile
Beringer Blass Wine Estates Limited	UK
Beringer Blass Wines Pty. Ltd.*	Australia
Bilyara Vineyards Pty. Ltd.*	Australia
Cellarmaster Wines (UK) Limited	UK
Cellarmaster Wines Holdings (UK) Limited	UK
Cuppa Cup Vineyards Pty. Ltd.	Australia
Devil's Lair Pty. Ltd.	Australia
Daou Brothers LLC[1]	USA
Daou Family LLC[1]	USA
Daou Vineyards LLC[1]	USA
Ewines Pty. Ltd.	Australia
FBL Holdings Limited	UK
Frank Family Vineyards LLC	USA
Il Cavaliere del Castello di Gabbiano S.r.l.	Italy
Interbev Pty. Ltd.*	Australia
Leo Buring Pty. Ltd.	Australia
Lindeman (Holdings) Limited*	Australia
Lindemans Wines Pty. Ltd.	Australia
Mag Wines Pty. Ltd	Australia
Majorca Pty. Ltd.*	Australia
Mildara Holdings Pty. Ltd.*	Australia
North America Packaging (Pacific Rim) Corporation	USA
Patrimony Estates LLC[1]	USA
Penfolds Wines Australia Pty Ltd (formerly known as Treasury Logistics Pty Ltd)*	Australia
Penfolds Wines International Limited (formerly known as Coldstream Australasia Limited)*	Australia
Penfolds Wines Pty Ltd	Australia
Piat Pere et Fils B.V.	Netherlands
Premium Land, Inc.	USA
Robertsons Well Pty. Ltd.	Australia
Robertsons Well Unit Trust	Australia
Rosemount Estates Pty. Ltd.	Australia
Rothbury Wines Pty. Ltd.*	Australia
SCW905 Limited*	Australia
Seaview Wynn Pty. Ltd.*	Australia
Société Civile d'Exploitation Agricole Cambon La Pelouse	France
Southcorp Australia Pty. Ltd. *	Australia
Southcorp Brands Pty. Ltd.*	Australia
Southcorp International Investments Pty. Ltd.*	Australia
Southcorp Limited*	Australia
Southcorp NZ Pty. Ltd.*	Australia

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Notes to the consolidated financial statements: Group composition

For the year ended 30 June 2024

Note 28 - Subsidiaries (continued)

Entity name	Country of incorporation
Southcorp Whitegoods Pty. Ltd.	Australia
Southcorp Wines Asia Pty. Ltd.	Australia
Southcorp Wines Pty. Ltd.*	Australia
Southcorp XUK Limited	UK
T'Gallant Winemakers Pty. Ltd.	Australia
The Rothbury Estate Pty. Ltd.*	Australia
Tolley Scott & Tolley Limited*	Australia
Treasury Americas Inc	USA
Treasury Chateau & Estates LLC	USA
Treasury Wine Estates (China) Holding Co Pty Ltd*	Australia
Treasury Wine Estates (Matua) Limited	New Zealand
Treasury Wine Estates (NZ) Holding Co Pty Ltd*	Australia
Treasury Wine Estates (Shanghai) Trading Co. Ltd.	China
Treasury Wine Estates (UK) Holding Co Pty Ltd*	Australia
Treasury Wine Estates Americas Company	USA
Treasury Wine Estates Asia (SEA) Pte Ltd	Singapore
Treasury Wine Estates Asia Pty. Ltd.	Australia
Treasury Wine Estates Australia Limited*	Australia
Treasury Wine Estates Barossa Vineyards Pty. Ltd.	Australia
Treasury Wine Estates Canada, Inc.	Canada
Treasury Wine Estates Denmark ApS	Denmark
Treasury Wine Estates EMEA Limited	UK
Treasury Wine Estates France S.A.R.L.	France
Treasury Wine Estates HK Limited	Hong Kong SAR, China
Treasury Wine Estates Holdings Inc.	USA
Treasury Wine Estates Japan KK	Japan
Treasury Wine Estates Managing Office Ltd[2]	UAE
Treasury Wine Estates Netherlands B.V	Netherlands
Treasury Wine Estates Norway AS	Norway
Treasury Wine Estates Sweden AB	Sweden
Treasury Wine Estates (Thailand) Co. Ltd[2]	Thailand
Treasury Wine Estates UK Brands Limited	UK
Treasury Wine Estates Vintners Limited*	Australia
TWE Finance (Aust) Limited*	Australia
TWE Finance (UK) Limited	UK
TWE Insurance Company Pte. Ltd.	Singapore
TWE Lima Pty Ltd*	Australia
TWE Share Plans Pty Ltd	Australia
TWE US Finance Co.	USA
TWE USA Partnership	USA
Wolf Blass Wines Pty. Ltd.*	Australia
Woodley Wines Pty. Ltd.	Australia
Wynn Winegrowers Pty. Ltd.	Australia
Wynns Coonawarra Estate Pty. Ltd	Australia

* Entity is a member of the Closed Group under the Deed of Cross Guarantee (refer to note 30) and relieved from the requirement to prepare audited financial statements by ASIC Corporations (Wholly owned Companies) Instrument 2016/785.

[1] Acquired as a part of the DAOU transaction, F23 holding is nil.
[2] Incorporated in F24. F23 holding is not applicable.

Notes to the consolidated financial statements: Group composition

For the year ended 30 June 2024

Note 28 - Subsidiaries (continued)

Entity name	Country of incorporation	% of holding	
Equity holding of less than 100%		2024	2023
Graymoor Estate Joint Venture	Australia	**48.8**	48.8
Graymoor Estate Pty. Ltd.	Australia	**48.8**	48.8
Graymoor Estate Unit Trust	Australia	**48.8**	48.8
North Para Environment Control Pty. Ltd.	Australia	**69.9**	69.9
Groupment Forestier des Landes de Lanessan	France	**78.6**	78.6
SAS Domaines Bouteiller	France	**78.6**	78.6

Note 29 - Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2024 $M	2023 $M
Balance sheet		
Current assets	**1,978.6**	1,370.6
Total assets	**11,091.2**	9,476.5
Current liabilities	**6,209.0**	5,863.0
Total liabilities	**6,209.0**	5,863.0
Net assets	**4,882.2**	3,613.5
Shareholders' equity		
Issued capital	**4,226.8**	3,280.7
Share based payments reserve	**(56.8)**	(41.3)
Retained earnings	**712.2**	374.1
Total equity	**4,882.2**	3,613.5
Profit for the year	**598.8**	-
Total comprehensive income	**598.8**	-

Current liabilities comprise balances with other entities within the Group. These balances will not be called within the next 12 months.

(b) Contingent liabilities

Refer note 34 for contingent liabilities relevant to the Group.

(c) Financial guarantees

Refer note 18 for financial guarantees to banks, financiers and other persons.

(d) Tax consolidation legislation

The Company formed a consolidated group for income tax purposes with each of its Australian resident subsidiaries on 21 May 2011. The Company and the controlled entities in the tax consolidation group continue to account for current and deferred tax amounts separately. These tax amounts are measured on a 'group allocation' approach, under which the current and deferred tax amounts for the tax-consolidated group are allocated among each reporting entity in the Group.

(e) Capital commitments

There are no capital commitments for the Company (F23: nil).

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Notes to the consolidated financial statements: Group composition

For the year ended 30 June 2024

Note 30 - Deed of cross guarantee

Under the terms of ASIC Corporations (Wholly owned Companies) Instrument 2016/785, certain wholly owned controlled entities have been granted relief from the requirement to prepare audited financial reports. It is a condition of the class order that the Company and each of the relevant subsidiaries enter into a Deed of Cross Guarantee whereby each company guarantees the debts of the companies party to the Deed. The member companies of the Deed of Cross Guarantee are regarded as the 'Closed Group' and identified in note 28.

A consolidated statement of profit or loss and other comprehensive income, retained earnings reconciliation and a consolidated statement of financial position, comprising the Company and those controlled entities which are a party to the Deed of Cross Guarantee, after eliminating all transactions between parties to the Deed, at 30 June 2024 are set out below.

Consolidated statement of profit or loss and other comprehensive income	2024 $M	2023 $M
Revenue	**1,983.1**	1,787.4
Cost of sales	**(1,160.4)**	(1,056.7)
Gross profit	**822.7**	730.7
Selling expenses	**(59.7)**	(69.4)
Marketing expenses	**(43.9)**	(48.9)
Administration expenses	**(117.1)**	(103.0)
Other income/(expenses)	**(422.1)**	(334.2)
Profit before tax and finance costs	**179.9**	175.2
Finance income	**73.3**	43.9
Finance costs	**(117.9)**	(74.4)
Net finance costs	**(44.6)**	(30.5)
Profit before tax	**135.3**	144.7
Income tax expense	**(58.1)**	(36.2)
Net profit	**77.2**	108.5
Other comprehensive income/(loss)		
Items that may subsequently be reclassified to profit or loss		
Cash flow hedges	**(8.6)**	(0.2)
Tax on cash flow hedges	**2.6**	–
Exchange gain/(loss) on translation of foreign operations	**-**	–
Other comprehensive income/(loss) for the year, net of tax	**(6.0)**	(0.2)

Retained earnings reconciliation	2024 $M	2023 $M
Retained earnings at beginning of the year	**27.1**	164.0
Profit for the period	**77.2**	108.5
External dividends	**(260.6)**	(245.4)
Retained earnings at end of the year	**(156.3)**	27.1

Notes to the consolidated financial statements: Group composition

For the year ended 30 June 2024

Note 30 - Deed of cross guarantee (continued)

	2024 $M	2023 $M
Statement of financial position		
Current assets		
Cash and cash equivalents	**242.0**	414.4
Receivables	**426.2**	310.8
Inventories	**343.6**	394.8
Current tax assets	**-**	9.3
Investments	**1.2**	1.8
Assets held for sale	**9.1**	32.1
Derivative assets	**5.1**	20.5
Total current assets	**1,027.2**	1,183.7
Non-current assets		
Inventories	**705.0**	685.8
Investments	**3,213.2**	2,257.5
Property, plant and equipment	**628.0**	616.4
Right-of-use assets	**60.5**	74.2
Intangible assets	**343.8**	539.4
Deferred tax assets	**-**	55.2
Derivative assets	**22.1**	46.1
Other non-current assets	**3.6**	–
Total non-current assets	**4,976.2**	4,274.6
Total assets	**6,003.4**	5,458.3
Current liabilities		
Trade and other payables	**341.8**	346.0
Borrowings	**427.0**	969.8
Current tax liabilities	**60.9**	–
Provisions	**40.3**	80.7
Derivative liabilities	**4.6**	20.0
Total current liabilities	**874.6**	1,416.5
Non-current liabilities		
Borrowings	**1,024.6**	597.4
Deferred tax liabilities	**33.2**	130.6
Derivative liabilities	**24.8**	4.0
Other non-current liabilities	**3.3**	3.2
Total non-current liabilities	**1,085.9**	735.2
Total liabilities	**1,960.5**	2,151.7
Net assets	**4,042.9**	3,306.6
Equity		
Contributed equity	**4,226.8**	3,280.7
Reserves	**(27.6)**	(1.2)
Retained earnings	**(156.3)**	27.1
Total equity	**4,042.9**	3,306.6

Current borrowings include balances with other entities within the Group. These balances will not be called within the next 12 months.

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Notes to the consolidated financial statements: Other

For the year ended 30 June 2024

Note 31 - Related party disclosures

Ownership interests in related parties

All material ownership interests in related parties are disclosed in note 28 to the financial statements.

Parent entity

The ultimate parent entity is Treasury Wine Estates Limited, which is domiciled and incorporated in Australia.

Transactions with entities in the wholly-owned Group

Transactions between companies within the Group during the current and prior year included:

- Purchases and sales of goods and services; and
- Provision of accounting and administrative assistance.

Transactions with controlled entities are made on normal commercial terms and conditions.

Transactions with other related parties

The Group entered into transactions which are insignificant in amount with executives, Non-Executive Directors and their related parties within normal employee, customer or supplier relationships on terms and conditions no more favourable than those available in similar arm's length dealings.

There were no other transactions with related parties during the current year.

Key management personnel compensation

The following table shows the compensation paid or payable to the key management personnel ('executives') of the Group.

	2024 $	2023 $
Short-term employee benefits	**4,552,970**	4,366,995
Post-employment benefits	**68,216**	75,876
Share based payments	**1,435,585**	3,999,924
Termination benefits	**397,683**	-
Total	**6,454,454**	8,412,795

Additionally, compensation paid to Non-Executive Directors was $1,942,083 (F23: $1,929,302).

Note 32 - Remuneration of auditors

The Audit and Risk Committee has completed an evaluation of the overall effectiveness and independence of the Group's external auditor, KPMG. As part of this process, the external auditor has provided a written statement that no professional engagement with the Group has been carried out which would impair their independence as auditor.

The Group also engages external auditors Grant Thornton and Aeccelis for the audit of certain subsidiaries and the Audit and Risk Committee has confirmed their independence. The Chairman of the Audit and Risk Committee has advised the Board that the Committee's assessment is that the auditors are independent. During the year, the following fees were paid or payable for services provided by the auditors of the Group, and their related practices:

	2024 $	2023 $
Audit and review services		
Auditors of the Group – KPMG		
Audit and review of financial statements - Group[1]	**2,313,566**	1,796,637
Audit and review of financial statements – Controlled entities	**556,557**	434,334
	2,870,123	2,230,971
Other auditors		
Audit and review of financial statements – Controlled entities	**28,295**	–
Assurance services		
Auditors of the Group - KPMG	**100,313**	102,500
Other auditors	**-**	-
Other services		
Auditors of the Group - KPMG	**85,359**	81,735
Other auditors	**–**	–
Total	**3,084,090**	2,415,206

1. F24 fees include the first time audit of DAOU.

The Group engages KPMG to provide other non-audit services where their expertise and experience best qualifies them to provide the appropriate service and as long as stringent independence requirements are satisfied. In the year ended 30 June 2024, other non-audit services included fees in respect of compliance and taxation services.

Notes to the consolidated financial statements: Other

For the year ended 30 June 2024

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Note 33 – Other accounting policies

New accounting standards and interpretations
Since 30 June 2023, the Group has adopted the following new and amended accounting standards.

Reference	Title	Application
AASB 17	*Insurance Contracts*	1 January 2023
AASB 2021-2	*Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*	1 January 2023
AASB 2021-5	*Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a single transaction*	1 January 2023

The adoption of these standards did not have a significant impact on the consolidated financial statements.

Issued but not yet effective accounting standards
The following relevant accounting standards have recently been issued or amended but are not yet effective and have not been adopted for this year-end reporting period.

Reference	Title	Application
AASB 2023-1	*Amendments to Australian Accounting Standards – Supplier Finance Arrangements*	1 January 2024
AASB 2020-1	*Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*	1 January 2024
AASB 2020-6	*Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current - Deferral of Effective Date*	1 January 2024
AASB 2022-6	*Amendments to Australian Accounting Standards – Classification Non-current Liabilities with Covenants*	1 January 2024
AASB 2023-3	*Amendments to Australian Accounting Standards – Disclosure of Non-current Liabilities with Covenants: Tier 2*	1 January 2024
AASB 2022-5	*Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*	1 January 2024
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2025
AASB 2015-10	*Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128*	1 January 2025
AASB 2017-5	*Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	1 January 2025
AASB 2021-7(a-c)	*Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*	1 January 2025
AASB 2023-5	*Amendments to Australian Accounting Standards – Lack of Exchangeability*	1 January 2025
AASB 18*	*Presentation and Disclosure in Financial Statements*	1 January 2027

* AASB 18 *Presentation and Disclosure in Financial Statements* was issued in June 2024 and replaces AASB 101 *Presentation of Financial Statements.* The new standard introduces new requirements for the Consolidated statement of profit or loss and other comprehensive income, including:

- new categories for the classification of income and expenses into operating, investing and financing categories; and
- presentation of subtotals for 'operating profit' and 'profit before financing and income taxes'.

Additional disclosure requirements are introduced for management-defined performance measures and new principles for aggregation and disaggregation of information in the notes and the primary financial statements as well as the presentation of interest and dividends in the statement of cash flows. The new standard is effective for annual periods beginning on or after 1 January 2027 and will first apply to the Group for the financial year ending 30 June 2028.

Other accounting policies

Finance income
Finance income is recognised as the interest accrues (using the effective interest method, which applies a rate that discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Finance costs
Finance costs are recognised as an expense when they are incurred, except for interest charges attributable to major projects with substantial development and construction phases, which are capitalised as part of the cost of the asset.

Notes to the consolidated financial statements: Other

For the year ended 30 June 2024

Note 33 – Other accounting policies (continued)

Other accounting policies (continued)

Financial assets
A financial asset is classified as at fair value through profit or loss or fair value through other comprehensive income unless it meets the definition of amortised cost. This is determined on initial recognition.

Financial assets classified as at amortised cost are measured initially at fair value and adjusted in respect of any incremental and directly attributable transaction costs. All other financial assets are measured at fair value on initial recognition.

Reclassification occurs only if there are fundamental changes to the Group's business model for managing financial assets.

Amortised cost
A financial asset is classified as at amortised cost only if the asset is held to collect contractual cash flows and the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

A financial asset is measured at amortised cost using the effective interest rate method. Any gains and losses are recognised through the amortisation process or when the financial asset is derecognised or impaired.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are determined using historical recovery of contractual cash flows and the amount of loss incurred, adjusted for current economic and credit conditions.

An impairment loss is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. Impairment losses on assets classified as amortised cost are recognised in profit or loss when they are expected, not when they are incurred. If a later event causes the impairment loss to decrease, the amount is reversed in profit or loss.

Derecognition of financial assets
The derecognition of a financial asset takes place when the Group no longer controls the contractual rights that comprise the financial instrument. This is normally the case when the instrument is sold or all the cash flows attributable to the instrument are passed through to an independent third party.

Derivatives
The Group uses derivative financial instruments such as foreign currency contracts, interest rate swaps and options to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are carried at fair value and are financial assets when the fair value is positive and financial liabilities when the fair value is negative.

For derivatives that do not qualify for hedge accounting, any gains or losses arising from changes in fair value are taken directly to profit or loss for the year.

Hedge accounting
For the purposes of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction; or hedges of a net investment in a foreign operation.

Initial recognition
At the beginning of a hedge relationship, the Group designates and documents the hedge relationship and the related risk management objective and strategy. The documentation identifies the hedging instrument and the hedged item as well as describing the economic relationship, the hedge ratio between them and potential sources of ineffectiveness. The documentation also includes the nature of the risk being hedged and the method of assessing the hedging instrument's effectiveness. To achieve hedge accounting, the relationship must be expected to be highly effective and are assessed on an ongoing basis to determine that they continue to meet the risk management objective.

Re-balancing
If the hedge ratio for risk management purposes is no longer met but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the Group will rebalance the relationship by adjusting either the volume of the hedged item or the volume of the hedging instrument.

Discontinuation
Hedge accounting is discontinued when the hedge instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the year.

Gains or losses recognised directly in equity are reclassified into profit and loss in the same period or periods the foreign currency risk affects consolidated profit and loss.

Fair value hedges
For fair value hedges (for example, interest rate swaps), any gain or loss from remeasuring the hedging instrument is recognised immediately in the statement of profit or loss and other comprehensive income. Where the adjustment is to the carrying amount of a hedged interest-bearing financial instrument, the adjustment is amortised to the statement of profit or loss and other comprehensive income such that it is fully amortised by maturity.

Cash flow hedges
In relation to cash flow hedges (forward foreign currency contracts) to hedge firm commitments, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in the statement of profit or loss and other comprehensive income.

When the hedged item gives rise to the recognition of an asset or a liability, the associated deferred gains or losses are included in the initial measurement of the asset or liability.

For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the statement of profit or loss and other comprehensive income in the same period in which the hedged firm commitment affects the profit and loss, for example when the future sale actually occurs.

Notes to the consolidated financial statements: Other

For the year ended 30 June 2024

Note 34 – Contingent liabilities

From time to time, Companies within the Group are party to various legal actions as well as inquiries from regulators and government bodies that have arisen in the normal course of business. The Directors have given consideration to such matters which are or may be subject to claims or litigation at year end and are of the opinion that any liabilities arising over and above already provided in the financial statements from such action would not have a material effect on the Group's financial performance.

It is not practical to estimate the potential effect of these matters however the Group believe that it is not probable that a significant liability will arise.

Class actions

Two Australian shareholder class actions have been commenced against Treasury Wine Estates Limited.

The first action was served on 2 April 2020 by Slater & Gordon (S&G) acting for Brett Stallard as trustee for the Stallard superannuation fund. The second action was served on 1 May 2020 by Maurice Blackburn (MB) acting for Steven Napier. The class in both proceedings comprise shareholders who purchased shares between 30 June 2018 and 28 January 2020. The two actions were consolidated into a single action on 15 October 2020. Treasury Wine Estates Limited filed its Defence on 25 February 2021. On 21 April 2023, the joint plaintiffs filed an Amended Consolidated Statement of Claim (ASOC). The proceedings allege that the Company breached its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and that it engaged in misleading or deceptive conduct in contravention of the Corporations Act and the ASIC Act.

Regarding the claims, the Company strongly denies any and all allegations made against it and is vigorously defending the proceedings. Based on the information currently available, the Company does not know the quantum of the class action. No provision has been recognised at 30 June 2024 in respect of the claim.

Financial guarantees

Refer note 18 for financial guarantees to banks, financiers and other persons.

Note 35 – Business acquisitions

Daou Vineyards

On 12 December 2023, the Company acquired 100% of the share capital of DAOU Vineyards, LLC and its associated entities ("DAOU"), a Company incorporated in the US. DAOU is a highly acclaimed luxury wine brand based in Paso Robles, California comprising the DAOU Mountain Tasting Room, four luxury vineyards, four wineries and 411 acres of vineyards in the region.

There have been changes to provisional values of the assets and liabilities of DAOU at the date of acquisition that were disclosed at 31 December 2023. The accounting for the acquisition is now final. Details of the purchase consideration are as follows:

	$M
Cash	1,227.8
Ordinary shares (i)	139.1
Contingent consideration (ii)	44.3
Total	**1,411.2**

(i) Ordinary shares

The fair value of the 13,150,038 ordinary shares issued as part of the consideration paid for DAOU ($139.1 million) was based on the published share price on 12 December 2023 of $10.58 per share. The value of ordinary shares issued of $139.1 million was lower than the implied value of $157.4 million disclosed when the acquisition was announced due to a change in the Company's share price from acquisition announcement to acquisition completion.

(ii) Contingent consideration

In the event that certain NSR targets deliver growth in excess of pre-determined thresholds for the years ended 31 December 2025 to 31 December 2027, additional consideration of up to US$100 million will be payable to the former owners of DAOU and key employees. There is no minimum amount payable. A contingent earn-out plan has also been established under which a material portion of the contingent consideration will be made available to certain DAOU employees conditional on their continued employment through the earn-out period.

Any amounts payable under this plan will reduce the maximum amount payable to the former owners and will be accounted for as post-combination remuneration expenses and recognised in material items. Any amounts forfeited by employees resulting from discontinued employment will revert to the former owners.

The Group has recognised $44.3 million (US$29.1 million) as contingent consideration for the amount payable to the former owners which represents its fair value at the date of acquisition. As of 30 June 2024, this is valued at $45.4 million.

Contribution to F24 earnings

From the date of acquisition, $158.0 million revenue and $37.1 million profit before tax from continuing operations were recognised regarding DAOU. Estimated F24 EBITS and revenue from the acquired entities that would have been earned if the acquisition had occurred at the commencement of the financial year was $95.3 million, and $332.5 million respectively. Transaction and integration costs of $61.0 million were expensed and are largely included in administration expenses and cost of sales. Transaction costs of $18.4 million which were directly attributable to the issue of ordinary shares to fund part of the acquisition have been netted against the proceeds in equity.

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Notes to the consolidated financial statements: Other

For the year ended 30 June 2024

Note 35 – Business acquisitions (continued)

Assets acquired and liabilities assumed

The fair value of the identifiable assets and liabilities of DAOU at the date of acquisition were:

	Fair value recognised on acquisition (final) $M
Assets	
Cash	23.2
Trade and other receivables	46.0
Inventories	194.3
Property, plant and equipment	163.1
Right-of-use assets	5.7
Intangible assets	575.2
Deferred tax asset	30.6
	1,038.1
Liabilities	
Trade and other payables	93.0
Provisions	2.2
Borrowings	11.8
Other non-current liabilities	38.1
Deferred tax liability	30.6
	175.7
Total identifiable net assets at fair value	**862.4**

Goodwill arising from the acquisition has been recognised as follows:

Consideration transferred	1,411.2
Fair value of identifiable assets and liabilities acquired	862.4
Goodwill	**548.8**

Analysis of cash flows on acquisition

Cash consideration paid	1,227.8
Cash acquired as part of the acquisition	(23.2)
Net cash flow outflow on acquisition (included in cash flows from investing activities)	**1,204.6**

Key estimate and judgement

Accounting for acquisitions is inherently complex, requiring a number of judgements and estimates to be made. Management judgement is required to determine the fair value of identifiable assets and liabilities acquired in business combinations. A number of judgements have been made in relation to the identification of fair values attributable to separately identifiable assets and liabilities acquired, including customer relationships and brands. The determination of fair values require the use of valuation techniques based on assumptions including future cash flows, revenue growth, margins, customer attrition rates and weighted-average cost of capital.

Key estimates and judgements are also used in determining the fair value of the contingent consideration include the expectation of achieving NSR targets, the retention of employees and discount rate.

Note 36 – Subsequent events

Since the end of the financial year, the Directors approved a final 70% franked dividend of 19.0 cents per share. This dividend has not been recognised as a liability in the consolidated financial statements at 30 June 2024.

On 6 August 2024, the Group announced that it will seek to divest its Commercial brand portfolio. There is no impact to the classification or carrying value of assets and liabilities as of 30 June 2024.

The Directors are not aware of any other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Consolidated entity disclosure statement

For the year ended 30 June 2024

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Entity name	Type of entity / trustee, partner or participant in JV	Country of incorporation	Tax residency
Equity holding of 100%			
Aldershot Nominees Pty. Ltd.[1]	Body Corporate / Partner	Australia	Australia
B Seppelt & Sons Limited	Body Corporate	Australia	Australia
Beringer Blass Distribution S.R.L.	Body Corporate	Italy	Italy
Beringer Blass Italia S.R.L.	Body Corporate	Italy	Italy
Beringer Blass Wine Estates Chile Limitada	Body Corporate	Chile	Chile
Beringer Blass Wine Estates Limited	Body Corporate	UK	UK
Beringer Blass Wines Pty. Ltd.	Body Corporate	Australia	Australia
Bilyara Vineyards Pty. Ltd.[1]	Body Corporate / Partner	Australia	Australia
Cellarmaster Wines (UK) Limited	Body Corporate	UK	UK
Cellarmaster Wines Holdings (UK) Limited	Body Corporate	UK	UK
Cuppa Cup Vineyards Pty. Ltd.	Body Corporate	Australia	Australia
Daou Brothers LLC	Body Corporate	USA	USA
Daou Family LLC	Body Corporate	USA	USA
Daou Vineyards LLC	Body Corporate	USA	USA
Devil's Lair Pty. Ltd.	Body Corporate	Australia	Australia
Ewines Pty. Ltd.	Body Corporate	Australia	Australia
FBL Holdings Limited	Body Corporate	UK	UK
Frank Family Vineyards LLC	Body Corporate	USA	USA
Il Cavaliere del Castello di Gabbiano S.r.l.	Body Corporate	Italy	Italy
Interbev Pty. Ltd.	Body Corporate	Australia	Australia
Leo Buring Pty. Ltd.	Body Corporate	Australia	Australia
Lindeman (Holdings) Limited	Body Corporate	Australia	Australia
Lindemans Wines Pty. Ltd.	Body Corporate	Australia	Australia
Mag Wines Pty. Ltd	Body Corporate	Australia	Australia
Majorca Pty. Ltd.	Body Corporate	Australia	Australia
Mildara Holdings Pty. Ltd.	Body Corporate	Australia	Australia
North America Packaging (Pacific Rim) Corporation	Body Corporate	USA	USA
Patrimony Estates LLC	Body Corporate	USA	USA
Penfolds Wines Australia Pty Ltd	Body Corporate	Australia	Australia
Penfolds Wines International Limited	Body Corporate	Australia	Australia
Penfolds Wines Pty Ltd	Body Corporate	Australia	Australia
Piat Pere et Fils B.V.	Body Corporate	Netherlands	Netherlands
Premium Land, Inc.	Body Corporate	USA	USA
Robertsons Well Pty. Ltd.	Body Corporate / Trustee	Australia	Australia
Robertsons Well Unit Trust	Trust	Australia	Australia
Rosemount Estates Pty. Ltd.	Body Corporate	Australia	Australia
Rothbury Wines Pty. Ltd	Body Corporate	Australia	Australia
SCW905 Limited	Body Corporate	Australia	Australia
Seaview Wynn Pty. Ltd.	Body Corporate	Australia	Australia
Société Civile d'Exploitation Agricole Cambon La Pelouse	Body Corporate	France	France
Southcorp Australia Pty. Ltd.	Body Corporate	Australia	Australia
Southcorp Brands Pty. Ltd.	Body Corporate	Australia	Australia
Southcorp International Investments Pty. Ltd.	Body Corporate	Australia	Australia
Southcorp Limited	Body Corporate	Australia	Australia
Southcorp NZ Pty. Ltd.	Body Corporate	Australia	Australia
Southcorp Whitegoods Pty. Ltd.	Body Corporate	Australia	Australia
Southcorp Wines Asia Pty. Ltd.	Body Corporate	Australia	Australia
Southcorp Wines Pty. Ltd.	Body Corporate	Australia	Australia

Consolidated entity disclosure statement

For the year ended 30 June 2024

Entity name	Type of entity / trustee, partner or participant in JV	Country of incorporation	Tax residency
Southcorp XUK Limited	Body Corporate	UK	Australia
T'Gallant Winemakers Pty. Ltd.	Body Corporate	Australia	Australia
The Rothbury Estate Pty. Ltd.	Body Corporate	Australia	Australia
Tolley Scott & Tolley Limited	Body Corporate	Australia	Australia
Treasury Americas Inc	Body Corporate	USA	USA
Treasury Chateau & Estates LLC	Body Corporate	USA	USA
Treasury Wine Estates (China) Holding Co Pty Ltd	Body Corporate	Australia	Australia
Treasury Wine Estates (Matua) Limited	Body Corporate	New Zealand	New Zealand
Treasury Wine Estates (NZ) Holding Co Pty Ltd	Body Corporate	Australia	Australia
Treasury Wine Estates (Shanghai) Trading Co. Ltd.	Body Corporate	China	China
Treasury Wine Estates (UK) Holding Co Pty Ltd	Body Corporate	Australia	Australia
Treasury Wine Estates Americas Company	Body Corporate	USA	USA
Treasury Wine Estates Asia (SEA) Pte Ltd	Body Corporate	Singapore	Singapore
Treasury Wine Estates Asia Pty. Ltd.	Body Corporate	Australia	Australia
Treasury Wine Estates Australia Limited	Body Corporate	Australia	Australia
Treasury Wine Estates Barossa Vineyards Pty. Ltd.	Body Corporate	Australia	Australia
Treasury Wine Estates Canada, Inc.	Body Corporate	Canada	Canada
Treasury Wine Estates Denmark ApS	Body Corporate	Denmark	Denmark
Treasury Wine Estates EMEA Limited	Body Corporate	UK	UK
Treasury Wine Estates France S.A.R.L.	Body Corporate	France	France
Treasury Wine Estates HK Limited	Body Corporate	Hong Kong SAR, China	Hong Kong SAR, China
Treasury Wine Estates Holdings Inc.	Body Corporate	USA	USA
Treasury Wine Estates Japan KK	Body Corporate	Japan	Japan
Treasury Wine Estates Managing Office Ltd	Body Corporate	UAE	UAE
Treasury Wine Estates Netherlands B.V	Body Corporate	Netherlands	Netherlands
Treasury Wine Estates Norway AS	Body Corporate	Norway	Norway
Treasury Wine Estates Sweden AB	Body Corporate	Sweden	Sweden
Treasury Wine Estates (Thailand) Co. Ltd	Body Corporate	Thailand	Thailand
Treasury Wine Estates UK Brands Limited	Body Corporate	UK	UK
Treasury Wine Estates Vintners Limited	Body Corporate	Australia	Australia
TWE Finance (Aust) Limited	Body Corporate	Australia	Australia
TWE Finance (UK) Limited	Body Corporate	UK	UK
TWE Insurance Company Pte. Ltd.	Body Corporate	Singapore	Singapore
TWE Lima Pty Ltd	Body Corporate	Australia	Australia
TWE Share Plans Pty Ltd	Body Corporate	Australia	Australia
TWE US Finance Co.	Body Corporate	USA	USA
TWE USA Partnership[1]	Partnership	USA	USA / Australia
Wolf Blass Wines Pty. Ltd.	Body Corporate	Australia	Australia
Woodley Wines Pty. Ltd.	Body Corporate	Australia	Australia
Wynn Winegrowers Pty. Ltd.	Body Corporate	Australia	Australia
Wynns Coonawarra Estate Pty. Ltd	Body Corporate	Australia	Australia

1 TWE USA Partnership is a Delaware general partnership between Aldershot Nominees Pty. Ltd. (99.99%) and Bilyara Vineyards Pty. Ltd. (0.01%).

Consolidated entity disclosure statement

For the year ended 30 June 2024

Entity name	Type of entity / trustee, partner or participant in JV	Country of incorporation	Tax residency	% Of holding
Equity holding of less than 100%				
Graymoor Estate Joint Venture	Joint Venture	Australia	Australia	48.8
Graymoor Estate Pty. Ltd.	Body Corporate / Trustee	Australia	Australia	48.8
Graymoor Estate Unit Trust	Trust	Australia	Australia	48.8
North Para Environment Control Pty. Ltd.	Joint Venture	Australia	Australia	69.9
Groupment Forestier des Landes de Lanessan	Body Corporate	France	France	78.6
SAS Domaines Bouteiller	Body Corporate	France	France	78.6

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with the *Corporations Act 2001*, includes information for each entity that was part of the consolidated entity as at 30 June 2024 and has regard to the Australian Taxation Office's Practical Compliance Guidance 2018/9.

Determination of tax residency

Section 294 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgement as there are different interpretations that could be adopted and which could give risk to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied the current legislation and guidance, including having regard to the Australian Taxation Office's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

The consolidated entity has applied current legislation and where available, relevant revenue authority guidance in the determination of foreign tax residency.

Partnership and trusts in Australia

Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis.

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Directors' declaration

For the year ended 30 June 2024

In accordance with a resolution of the Directors of Treasury Wine Estates Limited, the Directors declare that:

a) In the Directors' opinion, the financial statements and notes 1 to 36 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards, the *Corporations Regulations 2001*; and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date.

b) In the Directors' opinion, there are reasonable grounds to believe that Treasury Wine Estates Limited will be able to pay its debts as and when they become due and payable.

c) In the Directors' opinion, the consolidated entity disclosure statement on pages 152-154 is true and correct.

d) There are reasonable grounds to believe that members of the Closed Group identified in note 28 will be able to meet any liabilities to which they are or may become, subject because of the Deed of Cross Guarantee described in note 30.

e) Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

f) The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer as required by section 295A of the *Corporations Act 2001*.

John Mullen
Chairman

Tim Ford
Managing Director and Chief Executive Officer

15 August 2024
Melbourne, Australia

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Independent Auditor's Report

To the shareholders of Treasury Wine Estates Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Treasury Wine Estates Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group's*** financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2024
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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Key Audit Matters

The ***Key Audit Matters*** we identified are:

- Valuation of intangible assets;
- Valuation of inventory; and
- Acquisition accounting.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of intangible assets ($2,182.8 million)

Refer to Note 15 *Impairment of non-financial assets* to the financial report

The key audit matter	How the matter was addressed in our audit
Valuation of goodwill and brand names is a key audit matter due to: • The size of the balance being 26.9% of total assets. • The inherent complexity in auditing the forward-looking assumptions applied to the Group's value in use models (VIU) for each Cash Generating Unit (CGU) given the significant judgement involved. We focused on the significant forward-looking assumptions the Group applied in their VIU models, including forecast cash flows and terminal growth rates due to market volatility increasing the risk of inaccurate forecasting. • The judgement associated with discount rates including the underlying risks of each CGU and the countries they operate in. As set out in Note 15, the Group recorded an impairment charge of $289.8 million in the Treasury Premium Brands (TPB) division, primarily against goodwill and brands. This was a result of the impact of the continued decline in the commercial category outlook. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Working with our valuation specialists, our procedures included: • considering the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill and brand names for impairment against the requirements of the accounting standards; • assessing the integrity of the value in use models used, including the accuracy of the underlying calculation formulas; • comparing the forecast cash flows contained in the value in use models to Board approved forecasts; • assessing the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the models; • assessing the Group's determination of CGU assets for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards; • challenging the Group's significant forecast cash flow and growth assumptions; • comparing terminal growth rates to published studies of industry trends and expectations, and considering differences for the Group's operations; • independently developing a discount rate range considered comparable using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in; • comparing the implied multiples from comparable market transactions to the implied multiples from the Group's model; • recalculating the impairment charge relating to the TPB division and CGUs against the recorded amounts; and • assessing the disclosures in the financial report using our understanding of the issues obtained from our testing and against the requirements of the accounting standards.

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Valuation of inventory ($2,359.6 million)	
Refer to Note 9 *Working Capital* to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

The valuation of inventories of finished goods and work in progress is a key audit matter as we need to consider estimates and judgements made by the Group. These include inherently subjective judgements about forecast demand and estimated market sales prices. We focus our work on assessing the judgements contained in the valuation models for:
• the period of time over which harvested grapes are converted from work in progress to bottled wine ready for sale (the holding period) which can be a number of years depending on the varietal and type of wine; and
• forecast demand and market sale prices, which can fluctuate significantly over the holding period and are influenced by the fundamentals of the global wine industry, including fluctuations in demand and supply and other factors that impact agricultural outputs.
 	
These factors influence the Group's determination of the most likely market conditions at the estimated date of sale. A key indicator for at-risk inventory values, including finished goods and work in progress in the holding period, is the identification of current slow moving and obsolete inventories. These can signal changes in consumer demand patterns or potential over-supply issues which may impact forecast prices.
	Our procedures included:
	• testing key controls designed by the Group to identify slow moving and obsolete inventories, which if existing, may indicate valuation issues with work in progress and finished goods;
	• testing year-end inventory valuation models, in particular the identification and valuation of work in progress and finished goods considered to be 'at risk' (i.e. where the costs may potentially exceed the estimated net realisable value at the time of sale). We considered forecast sales plans, inventory holding reports and the outcomes of the Group's process to identify slow moving and obsolete inventories. For a sample of 'at risk' inventory we:
	  ○ evaluated the inventory value against the Group's brand strategies and forecast sales plans for consistency;
	  ○ assessed the Group's action plans in place to mitigate the risk that wine will be sold below cost and facilitate the sale of potential at risk inventory above cost; and
	  ○ assessed the impact of the actions undertaken during the current year to mitigate the risk that the wine will be sold below cost, including Australian sourced inventory that was previously planned to have been sold in China.
	• assessing the integrity of the inventory valuation models used, including the mathematical accuracy of the underlying calculation formulas;
	• attending cycle counts and / or year-end inventory counts in significant locations;
	• assessing the accuracy of the slow moving inventories provision in prior periods to assess the historical accuracy of the Group's estimation process; and
	• assessing the Group's inventory valuation methodologies and the Group's disclosures in respect of inventory valuation against the requirements of relevant accounting standards.

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Acquisition accounting (purchase consideration of $1,411.2 million)	
Refer to Note 35 *Business Acquisitions* to the financial report	
The key audit matter	**How the matter was addressed in our audit**

The Group's acquisition of DAOU Vineyards LLC and its associated entities (DAOU) is considered to be a key audit matter due to:
• The size of the acquisition having a significant impact on the Group's financial statements;
• The judgement and complexity involved in the determination of the fair value of assets and liabilities acquired in the transaction requiring significant audit effort. The Group engaged external valuation experts to assess the fair value of certain assets including property, plant and equipment and the DAOU brand.
• The Group's valuation model used to determine the fair value of acquired intangible assets is complex and sensitive to changes in a number of key assumptions. This drives additional audit effort specifically on the feasibility of these key assumptions and consistency of application to the Group's strategy. The key assumptions we focused on in the valuation of the DAOU brand included forecast earnings, terminal growth rates and discount rates.
• The judgement involved in estimating the fair value of contingent consideration at acquisition date. We focused on the forecast cash flow assumptions, including the achievability of the earn-out targets and discount rates.
We involved our valuation specialists to supplement our senior audit team members in assessing this key audit matter.
	Our procedures included:
	• evaluating the acquisition accounting by the Group against the requirements of the accounting standards;
	• reading the underlying transaction agreements to understand the terms of the acquisition and nature of the assets and liabilities acquired;
	• assessing the accuracy of the calculation and measurement of consideration paid to acquire DAOU based on the underlying transaction agreements and the Group's bank statements;
	• working with our valuation specialists, we assessed the Group's external valuation expert reports and:
	  ○ Considered the objectivity, competence and scope of work of the Group's external valuation experts;
	  ○ Evaluated the valuation methodology used to determine the fair value of assets and liabilities acquired, considering accounting standard requirements and observed industry practice;
	  ○ Assessed the key assumptions in the Group's external valuation expert report prepared in relation to the identification and valuation of the DAOU brand including:
	    ▪ checking forecast earnings assumptions for consistency with the Group's valuation model used as part of the acquisition process and the forecast cash flows to Board approved forecasts;
	    ▪ comparing terminal growth rates and royalty rates to published studies of industry trends and expectations;
	    ▪ evaluating the calculation methodology for the discount rate, against observed industry practice.
	• comparing a sample from the Group's external expert property, plant and equipment valuation reports to underlying fixed asset schedules of the acquiree;
	• assessing the Group's inventory valuation methodology against the requirements of the accounting standards;

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The key audit matter	How the matter was addressed in our audit
	• challenging the key assumptions in the Group's valuation model used as part of the acquisition process, including forecast cash flows of the entity acquired, likelihood of achieving the earn out targets and discount rate, as the basis of the contingent consideration fair value calculation; • recalculating the goodwill balance arising as a result of the transaction and comparing it to the goodwill amount recorded by the Group; and • assessing the adequacy of disclosures in the financial report using our understanding of the transaction obtained from our testing and against the requirements of the accounting standard.

Other Information

Other Information is financial and non-financial information in Treasury Wine Estates Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the Corporations Act 2001, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Treasury Wine Estates Limited for the year ended 30 June 2024, complies with *Section 300A* of the *Corporations Act 2001.*

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001.*

Our responsibilities

We have audited the Remuneration Report included in pages 76 to 99 of the Directors' report for the year ended 30 June 2024.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards.*

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Penny Stragalinos
Partner
Melbourne
15 August 2024

Details of shareholders, shareholdings and top 20 shareholders

Details of shareholders and shareholdings
Holding of securities

Listed securities 5 July 2024	No. of holders	No. of shares	% held by Top 20
Fully paid ordinary shares	90,035	811,426,445	83.67

Size of holding	No. of holders	Total % held
1 – 1,000	62,598	2.92
1,001 – 5,000	23,684	6.24
5,001–10,000	2,541	2.19
10,001 – 100,000	1,143	3.00
100,001 and over	69	85.65
Total	90,035	100

As at 5 July 2024, the number of shareholders holding less than a marketable parcel of $500 worth of shares, based on the closing market price on that date of $12.25 per share, is 1,487.

Twenty largest shareholders – 5 July 2024

Rank	Shareholder	No. of fully paid ordinary shares	% of fully paid ordinary shares
1	HSBC Custody Nominees (Australia) Limited	305,855,930	37.69
2	J P Morgan Nominees Australia Pty Limited	160,611,838	19.79
3	Citicorp Nominees Pty Limited	101,546,463	12.51
4	National Nominees Limited	26,266,214	3.24
5	BNP Paribas Nominees Pty Ltd <Agency Lending A/C>	20,121,912	2.48
6	BNP Paribas Noms Pty Ltd	11,874,345	1.46
7	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd.>	7,578,998	0.93
8	HSBC Custody Nominees (Australia) Limited -A/C 2	6,716,993	0.83
9	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	5,796,909	0.71
10	Daniel Vineyards LLC	5,260,016	0.65
11	GJD Holdings LLC	5,260,016	0.65
12	Argo Investments Limited	4,043,916	0.50
13	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	3,438,262	0.42
14	Netwealth Investments Limited <Wrap Services A/C>	2,899,305	0.36
15	Citicorp Nominees Pty Limited <143212 NMMT Ltd A/C>	2,101,681	0.26
16	Palm Beach Nominees Pty Limited	2,065,952	0.25
17	BNP Paribas Nominees Pty Ltd Barclays	1,752,788	0.22
18	Netwealth Investments Limited <Super Services A/C>	1,625,237	0.20
19	Mutual Trust Pty Ltd	1,505,296	0.19
20	Daniel J Daou Foundation	1,315,003	0.16
20	The Georges J Daou Foundation	1,315,003	0.16
Total		**678,952,077**	**83.67**

Substantial shareholders – 5 July 2024

The following shareholders have declared a relevant interest in the number of voting shares at the date of giving the notice under Part 6C.1 of the *Corporations Act 2001* (Cth).

Institution	No. of fully paid ordinary shares	% of fully paid ordinary shares
State Street Corporation	60,116,226	7.4%
Capital Group	59,490,813	7.3%
BlackRock Group	45,713,004	5.6%
Vanguard Group	36,123,880	4.5%

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Shareholder information

Annual general meeting & director nominations
The Annual General Meeting of the Company will be held at 10:00am on Thursday, 17 October 2024 (AEDT) at The InterContinental The Rialto. Full details will be contained in the Company's Notice of Meeting to be available on the Company's website prior to the meeting. All director nominations for election at the 2024 Annual General Meeting are to be received in writing no later than 5:00pm (AEST) on Thursday, 29 August 2024.

By mail:
Company Secretary
Treasury Wine Estates Limited
Level 8, 161 Collins Street
Melbourne, Victoria 3000
Australia

By fax:
+61 3 9690 5196

Voting rights
Shareholders are encouraged to participate in the Annual General Meeting, however, when this is not possible, shareholders may appoint a proxy to participate in the Annual General Meeting in their place.

Every shareholder participating in the Annual General Meeting personally or by proxy, attorney or representative has, on a poll, one vote for each fully paid share held.

Securities exchange listing
Treasury Wine Estates Limited shares are listed on the Australian Securities Exchange under the code 'TWE'.

Treasury Wine Estates Limited ordinary shares are traded in the US in the form of American Depositary Receipts (ADR) issued by The Bank of New York Mellon as Depositary.

Share register and other enquiries
If you have any questions in relation to your shareholding, share transfers or dividends, please contact our share registry:

Computershare Investor Services Pty Limited
Yarra Falls 452 Johnston Street
Abbotsford Victoria 3067, Australia

Telephone: 1800 158 360 (Australia)
International: +61 3 9415 4208
Website: www.investorcentre.com/contact

Please include your securityholder reference number (SRN) or holder identification number (HIN) in all correspondence to the share registry.

For enquiries relating to the operations of the Company, please contact the Investor Relations team on:

Telephone: +61 3 8533 3000
Facsimile: +61 3 9685 8001
Email: investors@tweglobal.com
Website: www.tweglobal.com

Address: Level 8, 161 Collins Street Melbourne Victoria 3000, Australia

ADR Depositary and Transfer Agent:
BNY Mellon Shareowner Services 150 Royall Street - Suite 101
Canton, MA 02021
United States of America

Postal address: PO Box 43006
Providence RI 02940 – 3078
United States of America

Telephone: 1888 269 2377
International: +1 201 680 6825
Email: shrrelations@cpushareownerservices.com
Website: www-us.computershare.com/investor

Electronic communications
The Company has an online share registry facility where shareholders can:

- check their current and previous holding balances;
- update their address details;
- update their bank details;
- review their dividend history;
- confirm whether they have lodged a TFN/ABN exemption;
- elect to receive communications and Company information electronically and change Annual Report elections; and
- download commonly used forms.

To access the online share registry, log on to www.tweglobal.com, go to the Investor Contacts section located under the Investors menu and click the 'Computershare Investor Centre' link. For security and privacy reasons, shareholders will be required to verify their identity before they can view their records.

Tax file numbers, Australian business numbers or exemptions
Australian taxpayers who do not provide details of their tax file number will have any unfranked portions of dividends subjected to the top marginal personal tax rate plus Medicare levy (if applicable). It may be in the interests of shareholders to ensure that tax file numbers have been supplied to the share registry. Shareholders may request a form from the share registry or submit their details via the online share registry.

Change of address
It is important for shareholders to notify the share registry of any change of address. As a security measure, the previous address should also be quoted as well as your securityholder reference number (SRN). Shareholders may access the online share registry to submit their details or download a personalised change of address form.

Shareholder wine offer – Cellardoor.co & TheWineShop.com
Shareholders in Australia and the US have the opportunity to purchase the Company's wines through Cellardoor.co and TheWineShop.com, respectively.

Cellardoor.co is an exclusive members-only online wine community for shareholders and family and friends of Treasury Wine Estates. As proud custodians of awarded and recognised wineries, we invite Australian shareholders to join Cellardoor.co and establish a direct connection to our iconic vineyards. By joining Cellardoor.co you will have 24/7 access to an exceptional range of wines from Treasury Wine Estates' award-winning wineries at exclusive prices.

TheWineShop.com is Treasury Wine Estates' multi-branded US shopping experience that highlights many of the most historic and recognised wineries in Napa. TheWineShop.com will continue to evolve and offer more and more offerings as time goes on. TheWineShop ships to most US states. As a TWE shareholder, we invite you to save 30% off any purchase you make by using the promo code TWESHARE at checkout.

Australian shareholders:
To become a Cellardoor.co member - Go to https://invite.cellardoor.co/twe-shareholder1 and enter Access Code 89374 to register.

US shareholders:
Visit https://www.thewineshop.com/?utm_source=Shareholders&utm_medium=email&utm_campaign=TWE_Shareholders_email to shop our portfolio.

Treasury Wine Estates Limited
ABN 24 004 373 862

Company secretary
Alexandra Lorenzi BA LLB (Hons)

Registered office
Level 8, 161 Collins Street
Melbourne Victoria 3000 Australia
Telephone: +61 3 8533 3000

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