

Strategic actions to maintain brand strength and channel health underway

Announcement headlines

- EBITs \$236.4m versus \$225-235m guidance, a decline of 39.6%, reflecting the impact of adverse category trends in the US and China, restriction of shipments contributing to parallel import activity in China and cycling of prior year shipments
- Statutory NPAT loss \$649.4m; reflecting post-tax material items loss of \$751.0m due to non-cash impairment of US based assets; pre material items and SGARA, NPAT \$128.5m, down 46.3%
- Cash conversion 82.4% and Leverage (Net Debt to EBITDAS) 2.4x, in line with guidance
- Underlying performance of key brands remains positive, as reflected in depletions growth
- Retaining the strength of TWE's capital structure is a priority. TWE has suspended the payment of its F26 interim dividend, a temporary measure to prioritise the preservation of capital and reduce Leverage. Resumption of dividends in future periods will be subject to TWE's financial performance and the Leverage improvement trajectory, inclusive of the expected benefits from TWE Ascent
- As announced in December, TWE has commenced strategic actions to maintain brand strength and healthy sales channels across key markets, with reducing customer inventory holdings in the US and China a priority
- As announced in February, TWE has reached an agreement with RNDC regarding the closure of their operations in California during 2025, inclusive of a settlement to compensate TWE for the impact of that closure
- TWE Ascent, an organisation wide transformation program covering brand portfolio, operating model and optimisation of operating costs, targeting \$100m per annum cost improvement across a 2-3 year time period, is progressing well, with high confidence of cost saving and asset realisation benefits
- Near-term priorities are focused on market execution, cash flow and accelerating Project Ascent benefits
- TWE expects 2H26 EBITs to be higher than 1H26, driven by improved momentum in California following completion of distribution transition in 1H26

Group financial summary

A\$m (unless otherwise stated)	1H26	% Chg. Reported	% Chg. Constant Currency
Net Sales Revenue (NSR)	1,297.7	(16.0)%	(16.6)%
NSR per case (A\$)	130.5	(5.1)%	(5.8)%
Gross Profit	595.5	(18.9)%	(19.9)%
Gross Profit Margin	45.9%	(1.6)ppts	(1.9)ppts
Earnings Before Interest, Tax, SGARA and Material items (EBITs)	236.4	(39.6)%	(40.3)%
EBITs Margin	18.2%	(7.1)ppts	(7.2)ppts
Net Profit After Tax before Material Items and SGARA	128.5	(46.3)%	(48.8)%
Earnings Per Share before Material Items and SGARA (A\$ cents)	15.9	(46.2)%	(48.7)%
Net Profit After Tax	(649.4)	(394.4)%	(387.2)%
Earnings Per Share (A\$ cents)	(80.2)	(394.9)%	(387.8)%

- NSR decreased 16.0% to \$1,297.7m, with reduced shipments versus the pcp across all divisions
- NSR per case decreased 5.1%, driven by portfolio mix in Penfolds and Treasury Americas
- Gross Profit margin 45.9%, down 1.6ppts versus the pcp, driven by portfolio mix
- EBITs margin 18.2%, down 7.1ppts versus the pcp
- ROCE¹ 9.5%, down 1.7ppts versus the pcp

Please refer to page 14 for note references. 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. Non-IFRS measures will not be subject to audit or review, and are used internally by Management to assess the operational performance of the business and make decisions on the allocation of resources

Performance overview

A\$m	1H26	% Chg. Reported	% Chg. Constant Currency
NSR			
Penfolds	501.3	(10.1)%	(10.5)%
Treasury Americas	283.0	(28.4)%	(28.4)%
Treasury Collective	513.4	(13.2)%	(14.4)%
Group	1,297.7	(16.0)%	(16.6)%
EBITS			
Penfolds	201.0	(19.6)%	(19.6)%
Treasury Americas	44.0	(63.6)%	(63.6)%
Treasury Collective	28.1	(51.1)%	(56.3)%
Corporate	(36.7)	0.7%	1.1%
Group	236.4	(39.6)%	(40.3)%
<i>EBITS Margin (%)</i>	<i>18.2</i>	<i>(7.1)ppts</i>	<i>(7.2)ppts</i>

- Penfolds reported a 19.6% decrease in EBITs to \$201.0m and an EBITs margin of 40.1% (down 4.8ppts). Demand for the Penfolds brand remains strong, with depletions continuing to grow in China (up 17.2%²) and Australia (up 3.5%) and in line with the pcp in Asia ex-China. Bin 389 and Bin 407 depletions continue to perform well, up 11.3% versus the pcp³. NSR decreased 10.1%, driven by the cycling of shipments associated with the initial distribution build following the removal of tariffs in China together with reduced shipments in Asia and Australia, reflecting the active focus to restrict shipments that were contributing to parallel import activity in China. On a constant currency basis, NSR and EBITs decreased 10.5% and 19.6% respectively.
- Treasury Americas reported a 63.6% decrease in EBITs to \$44.0m and an EBITs margin of 15.5% (down 15.0ppts). While depletions across the US declined 2.6%, driven by California, Treasury Americas depletions were up 1.8% across the rest of the US market, led by DAOU (up 2.6%), Frank Family Vineyards (up 8.4%) and Stags' Leap (up 6.1%). NSR decreased 28.4% driven by softer US wine market conditions, disruption from the Californian distribution transition and cycling the excess of shipments over depletions (0.2m cases) in the pcp. On a constant currency basis, NSR and EBITs decreased 28.4% and 63.6% respectively.
- Treasury Collective reported a 51.1% decrease in EBITs to \$28.1m and an EBITs margin of 5.5% (down 4.2ppts). In the Americas, performance reflected softer US market conditions, the impact of the California distribution transition and the reduction of customer inventory holdings. The Treasury Collective portfolio continues to perform in line with expectations in Australia and EMEA, led by key Growth and Innovation brands, partly offsetting the impact of reduced Commercial portfolio shipments. On a constant currency basis, NSR and EBITs decreased 14.4% and 56.3% respectively.
- Corporate costs were \$36.7m, down 0.7% versus the pcp.

Americas impairment

On 1 December 2025, TWE announced its expectation to recognise a non-cash impairment of its US based assets due to the continued moderation of US wine category trends and the application of more conservative long-term growth assumptions.

The impairment assessment has been finalised, including review of 31 December 2025 asset carrying values, resulting in a non-cash impairment charge of \$770.5m post-tax (\$987.6m pre-tax) which has been recognised as a material item in the interim 2026 financial result. The impairment charge has been recognised across the Treasury Americas and Treasury Collective divisions and relates primarily to the write-down to goodwill (\$676.1m pre-tax), brands, predominantly Sterling and Beringer (\$257.3m pre-tax), and inventory (\$54.2m pre-tax).

Key business matters

TWE provides the following update on key business matters:

US distribution arrangements

As announced to the ASX on 10 February 2026 TWE has reached a settlement agreement with Republic National Distributing Company (“RNDC”), one of its US distributors, regarding the closure of its operations in California in September 2025. As part of the settlement agreement, TWE will repurchase Treasury Americas and Treasury Collective portfolio inventory held by RNDC in California for its original sale value net of a confidential settlement that compensates TWE for the impact of RNDC’s closure in the state. Taking account of the expected on-sale of this inventory to other customers, commencing this half, the net cash outflow in 2H26 relating to this settlement agreement is expected to be approximately US\$65m.

TWE will continue to partner with RNDC to distribute its portfolio across a number of other US markets, with Treasury Americas depletions in states distributed by RNDC growing 2.7% in 1H26. The settlement does not alter the planned reduction of distributor inventory levels outside of California over a period of approximately two years, as disclosed to the market on 17 December 2025.

Reduction of customer inventory holdings in China and the US

As announced to the ASX on 17 December 2025, in response to weakened category dynamics, particularly in the US and China, TWE will reduce customer inventory holdings in these markets to align with moderated depletion growth expectations and significantly restrict shipments that were contributing to parallel import activity in China.

- For Penfolds this activity commenced in 2Q26, with a significant reduction in Asia ex-China and Australia shipments that were contributing to parallel import activity in China. Reducing customer inventory holdings in China by approximately 0.4m cases (\$215m NSR value) will remain a key focus over the next two years
- For Treasury Americas, there was a modest reduction of distributor inventory holdings in 1H26, with the reduction of distributor inventory holdings outside of California by 0.3m cases (\$125m NSR value) a key focus over the next two years, commencing from 2H26
- For Treasury Collective, US customer inventory was reduced by 0.2m cases in 1H26

TWE Ascent, update on TWE’s global transformation program

The TWE Ascent program, focused on driving transformation to create a stronger business with a focus on delivering attractive returns and cash generation, is progressing well, with high confidence of cost saving and asset realisation benefits.

The program is focused on three core pillars, with the following guiding principles:

- Portfolio evolution: a portfolio of brands that individually and collectively are positioned to outperform the market and which align the brands and assets on the balance sheet to support future strategy while also releasing capital
- Operating model transformation: delivering increased speed, consistency and execution effectiveness
- Operating cost optimisation: targeting \$100m per annum in cost improvement, with initial benefits commencing in F27 and full realisation across a two to three-year period, delivered through benchmarked performance and maximised use of data and automation

The specific plans and targets of TWE Ascent will be disclosed to the market as part of the company’s planned investor day on 4 June 2026 in Sydney, Australia. Additional details will be provided ahead of the event.

Future perspectives

On today’s announcement, TWE’s Chief Executive Officer, Sam Fischer commented:

“Today’s results come at a time when we are already making meaningful progress with the decisive actions required to return TWE to a path of sustainable, profitable growth. Our focus is firmly on the future to strengthen execution and ensure we build a stronger, more resilient business for the long term.

“TWE Ascent is the key enabler of this reset. It is a disciplined, multi-year transformation program designed to sharpen our portfolio, simplify the organisation and optimise our cost base, and I am pleased with the progress we have made to date.

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“Encouragingly, we are seeing our key brands continue to perform in the marketplace and resonate strongly with consumers, reinforcing confidence in the strength of our portfolio and our ability to deliver improved performance as we execute the transformation of the business.”

Important Information

This announcement is in summary form and is not necessarily complete. It should be read together with the Company's Annual Report for 30 June 2025, the Appendix 4D and 2026 Interim Results, and other announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

This announcement 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 consumer preferences and consumption occasions in the Company's key markets;
- Changes in economic conditions which impact consumer demand;
- The current changes being undergone by US wine distributor RNDC;
- Changes to TWE's production cost base, including impact of inflation and tariffs/charges;
- 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 accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections. The Company undertakes no obligation to update any forward-looking statement after the date of this announcement, subject to disclosure obligations.

Conference call

Treasury Wine Estates will host an investor and analyst webcast and conference call commencing at 10:30am AEDT on 16 February 2026. Links to register are provided below. A replay of the presentation will also be available on the website www.tweglobal.com from approximately 2:00pm AEDT.

Conference call registration

<https://s1.c-conf.com/diamondpass/10051709-hu4ed6.html>

Webcast registration

<https://edge.media-server.com/mmc/p/pdmrjojq>

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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Profit and Loss

\$Am (unless otherwise stated)	Reported Currency			Constant Currency	
	1H26	1H25	Change	1H25	Change
Volume (m 9Le cases)	9.9	11.2	(11.5)%	11.2	(11.5)%
Net sales revenue	1,297.7	1,544.2	(16.0)%	1,555.3	(16.6)%
<i>NSR per case (\$)</i>	130.5	137.5	(5.1)%	138.5	(5.8)%
Other Revenue	11.9	26.2	(54.7)%	30.8	(61.5)%
Cost of goods sold	(714.1)	(836.5)	14.6%	(843.2)	15.3%
<i>Cost of goods sold per case (\$)</i>	71.8	74.5	3.6%	75.1	4.4%
Gross profit	595.5	733.9	(18.9)%	742.9	(19.9)%
<i>Gross profit margin (%NSR)</i>	45.9%	47.5%	(1.6)ppts	47.8%	(1.9)ppts
Cost of doing business	(359.1)	(342.5)	(4.8)%	(346.9)	(3.5)%
<i>Cost of doing business margin (% NSR)</i>	27.7%	22.2%	(5.5)ppts	22.3%	(5.4)ppts
EBITS (before material items)	236.4	391.4	(39.6)%	396.1	(40.3)%
<i>EBITS margin (%)</i>	18.2%	25.3%	(7.1)ppts	25.5%	(7.2)ppts
SGARA	(35.9)	(14.7)	(144.6)%	(14.5)	147.5%
EBIT (before material items)	200.5	376.7	(46.8)%	381.6	(47.4)%
Net finance costs	(54.6)	(54.9)	0.5%	(55.6)	1.6%
Tax expense	(44.3)	(93.2)	52.4%	(91.8)	51.7%
Net profit after tax (before material items)	101.6	228.6	(55.6)%	234.3	(56.7)%
Material items (after tax)	(751.0)	(8.0)	NM	(8.2)	NM
Net profit after tax	(649.4)	220.6	(394.4)%	226.1	(387.2)%
Non-controlling interests	0.0	0.3	(99.6)%	0.3	(99.6)%
NPAT attributable to shareholders of TWE	(649.4)	220.9	(394.0)%	226.4	(386.9)%
Reported EPS (Ac)	(80.2)	27.2	(394.9)%	27.9	(387.8)%
NPAT (before material items and SGARA)	128.5	239.6	(46.3)%	250.9	(48.8)%
EPS (before material items and SGARA) (Ac)	15.9	29.5	(46.2)%	30.9	(48.7)%
Weighted average no. of shares (m)	809.9	811.4	(0.2)%	811.4	(0.2)%
Dividend (Ac)	0.0	20.0	(100.0)%	20.0	(100.0)%

NSR decreased 16.6% driven by reduced shipments across all divisions

NSR per case decreased 5.8% reflecting portfolio mix in Penfolds, driven by lower Ultra-Luxury tier sales

COGS per case decreased 4.4% reflecting portfolio mix

CODB increased 3.5% reflecting brand investment and higher overheads post transition to the new operating model

SGARA loss of \$35.9m driven by the 2025 US vintage and the 2026 Australian vintage, partly offset by the unwinding of losses from prior vintages

Net finance costs decreased 1.6% driven by lower interest rates on borrowings

Tax expense decreased 51.7% reflecting lower earnings; effective tax rate (before material items) was 30.4%, higher than the pcp due to lower US earnings with a similar effective rate expected in the second half

Material Items A post-tax material items loss of \$751.0m has been recognised which primarily relates to non-cash impairment of US-based assets (\$770.5m post tax)

EPS (before material items and SGARA) decreased 48.7% to 15.9 cents per share. Reported EPS decreased 387.8% to (80.2) cents per share



Divisional Performance Overview

Penfolds

A\$m (unless otherwise stated)	1H26	Reported Currency		Constant currency	
		1H25	%	1H25	%
Volume (m 9Le)	1.4	1.5	(4.3)%	1.5	(4.3)%
NSR (A\$m)	501.3	557.4	(10.1)%	559.9	(10.5)%
ANZ	99.3	119.9	(17.2)%	119.9	(17.2)%
Asia	354.7	386.1	(8.1)%	386.2	(8.2)%
Americas	14.7	15.3	(4.1)%	15.4	(4.2)%
EMEA	32.6	36.1	(9.6)%	38.4	(15.1)%
NSR per case (A\$)	351.4	373.0	(5.8)%	374.7	(6.2)%
EBITS (A\$m)	201.0	250.2	(19.6)%	250.2	(19.6)%
EBITS margin (%)	40.1%	44.9%	(4.8)ppts	44.7	(4.6)ppts%

Financial performance

Volume and **NSR** decreased by 4.3% and 10.5% respectively, driven by:

- The focus on restricting shipments that were contributing to parallel import activity in China, impacting sales in Asia ex-China and Australia
- Cycling of shipments to China in the pcp associated with the initial distribution build following the removal of tariffs on Australian wine in 2024

NSR per case decreased 6.2% reflecting portfolio mix from lower shipments of ultra-Luxury tiers, in part due to the impact of reducing customer inventory levels

COGS per case⁴ decreased 2.0% reflecting portfolio mix

CODB⁴ increased 2.9% reflecting increased overheads in China, which supported depletions growth, partly offset by the reduction in brand investment in line with reduced sales

EBITS decreased 19.6% to \$201.0m and **EBITS margin** decreased 4.6ppts to 40.1%

Division insights

- Key 1H26 execution highlights include:
 - Strong in-market execution driving continued depletions growth in key markets versus the pcp, including China (up 17.2%²) and Australia (up 3.5%), while Asia ex-China was in line with the pcp
 - Bin 389 and Bin 407 continue to perform well, up 11.3% versus the pcp⁵)
 - Penfolds brand health metrics continue to strengthen, with Demand Power⁶, as measured by Kantar increasing across all key markets versus the pcp with significant uplift in China, Hong Kong and Singapore
 - Successful 2025 Penfolds Collection release, with exceptional critic response including the 2021 Grange which received two perfect scores and eight 99 point scores
- Measures to reduce customer inventory holdings in China, in response to moderated demand expectations as outlined in December, and to restrict shipments contributing to parallel activity, remain key priorities for Penfolds
- Penfolds expects F26 EBITs to be approximately \$400m, with EBITs margin to be approximately 40%



Divisional Performance Overview

Treasury Americas

A\$m (unless otherwise stated)	1H26	Reported Currency		Constant currency	
		1H25	%	1H25	%
Volume (m 9Le)	0.8	1.1	(27.0)%	1.1	(27.0)%
NSR (A\$m)	283.0	395.4	(28.4)%	395.5	(28.4)%
ANZ	-	-	-	-	-
Asia	-	-	-	-	-
Americas	283.0	395.4	(28.4)%	395.5	(28.4)%
EMEA	-	-	-	-	-
<i>NSR per case (A\$)</i>	<i>368.7</i>	<i>376.2</i>	<i>(2.0)%</i>	<i>376.3</i>	<i>(2.0)%</i>
EBITS (A\$m)	44.0	120.8	(63.6)%	120.9	(63.6)%
<i>EBITS margin (%)</i>	<i>15.5%</i>	<i>30.6%</i>	<i>(15.0)ppts</i>	<i>30.6%</i>	<i>(15.0)ppts</i>

Financial performance

Volume and **NSR** decreased 27.0% and 28.4% respectively, driven by softer US wine market conditions, disruption from the Californian distribution transition and cycling the excess of shipments over depletions (0.2m cases) in the pcp.

In 1H26, shipments were broadly in line with depletions

NSR per case decreased 2.0% reflecting portfolio mix, with higher price point brands contributing a smaller portion of revenue versus the pcp

COGS per case was broadly in line with the pcp

CODB increased 25.7% reflecting increased investment to drive depletions performance and higher overheads from transition to the Luxury focused divisional model from 1 July 2025

EBITS decreased 63.6% to \$44.0m, with EBIT margin reducing 15.0ppts to 15.5%

Division insights

- Key 1H26 execution highlights:
 - While depletions across the US declined 2.6%, driven by California, Treasury Americas depletions were up 1.8% across the rest of the US market, led by DAOU (up 2.6%), Frank Family Vineyards (up 8.4%) and Stags' Leap (up 6.1%).
 - TWE outperformed the category in on-premise⁷ with depletions growing 3.3%, led by Frank Family Vineyards, DAOU and Stags' Leap and driven by distribution gains and increased sales velocity across all brands.
 - Return to growth of the direct to consumer channel, driven by strong e-commerce performance (up 24% versus the pcp)
- Measures to reduce customer inventory holdings in response to moderated demand expectations, as outlined in December, remain a priority for Treasury Americas
- Treasury Americas F26 EBITs are expected to be approximately \$90m, excluding the benefits and costs associated with the RNDC settlement



Divisional Performance Overview

Treasury Collective

A\$m (unless otherwise stated)	1H26	Reported Currency		Constant currency	
		1H25	%	1H25	%
Volume (m 9Le)	7.7	8.7	(10.9)%	8.7	(10.9)%
NSR (A\$m)	513.4	591.4	(13.2)%	600.0	(14.4)%
ANZ	162.3	167.9	(3.3)%	167.7	(3.2)%
Asia	23.5	23.6	(0.4)%	23.6	(0.6)%
Americas	181.2	246.4	(26.4)%	246.0	(26.3)%
EMEA	146.4	153.5	(4.7)%	162.7	(10.0)%
NSR per case (A\$)	66.3	68.1	(2.6)%	69.1	(4.0)%
EBITS (A\$m)	28.1	57.4	(51.1)%	64.3	(56.3)%
EBITS margin (%)	5.5%	9.7%	(4.2)ppts	10.7%	(5.2)ppts

Financial performance

Volume and **NSR** declined 10.9% and 14.4% respectively:

- In the Americas, performance reflected softer US market conditions, the impact of the California distribution transition and the reduction in customer inventory holdings in 1H26 (0.2m cases)
- Outside the Americas, NSR declined 6.0%, driven by Commercial portfolio declines and partly offset by gains in key Growth and Innovation brands

NSR per case decreased 4.0% reflecting portfolio mix

COGS per case decreased 1.6% driven by portfolio mix

CODB increased 3.9% driven by increased overheads as a result of the transition to a Global Premium division from 1 July 2025

EBITS decreased 56.3% to \$28.1m and **EBITS margin** declined 5.2ppts to 5.5%

Division insights

- Key 1H26 execution highlights include:
 - Positive momentum behind the Premium portfolio in Australia with gains led by Pepperjack (up 15.9%), Squealing Pig (up 12.3%) and 19 Crimes (up 13.0%)⁸
 - Growth in Treasury Collective's lighter and refreshment style wines continued with Squealing Pig becoming the number one wine brand in Coles Liquor for 2025 and Matua continuing to grow ahead of the category in the US, with Matua Lighter holding the #3 rank in the 'better-for-you' segment.⁹
- Treasury Collective 2H26 EBITs are expected to be higher than 1H26

**Balance Sheet (condensed)**

A\$m	1H26 31-Dec-25	F25 30-Jun-25	1H25 31-Dec-24
Cash & cash equivalents	216.1	427.7	474.7
Receivables	645.2	745.5	785.4
Current inventory	862.7	985.4	1,094.5
Non-current inventory	1,536.6	1,495.3	1,288.2
Property, plant & equipment	1,828.0	1,868.0	1,886.8
Right of use lease assets	351.7	383.1	400.9
Agricultural assets	27.9	42.1	27.4
Intangible assets	1,251.5	2,231.1	2,299.5
Tax assets	91.4	51.5	32.2
Assets held for sale	23.2	36.9	7.3
Other assets	36.8	44.3	94.9
Total assets	6,871.1	8,310.9	8,392.0
Payables	667.2	815.5	723.2
Interest bearing debt	1,599.6	1,682.8	1,780.8
Lease liabilities	478.6	515.8	558.2
Tax liabilities	108.6	322.8	285.6
Provisions	65.7	77.2	70.6
Other liabilities	80.5	95.0	99.3
Total liabilities	3,000.2	3,509.1	3,517.7
Net assets	3,870.9	4,801.8	4,874.3

Net assets decreased \$930.9m to \$3,870.9m in the six months to 31 December 2025, driven by the impairment of US based assets. Adjusting for foreign exchange rate movements, net assets decreased by \$704.3m

Versus the pcp (31 December 2024), **Inventory** increased \$16.6m to \$2,399.3m:

- Current inventory decreased \$231.9m to \$862.7m reflecting moderated sales expectations in Penfolds and Treasury Americas
- Non-current inventory increased \$248.4m to \$1,536.6m, driven by growth in Luxury inventory from the Australian and Californian vintages and the transfer of inventory from current to non-current as a result of moderated sales expectations

Intangible assets decreased \$979.7m reflecting impairment (\$987.6m pre-tax) and foreign currency movements

Net borrowings (including Lease Liabilities) increased \$91.2m reflecting lower operating cashflows partly offset by foreign exchange revaluation of USD denominated

debt. In December 2025, US Private Placement notes totalling US\$50m were repaid from cash

Net debt to EBITDAS (Leverage) 2.4x, in line with expectations.

- Full year Leverage is expected to be higher, predominantly due to lower trailing 12-month EBITDAS and lower cash conversion
- TWE has suspended the payment of its F26 interim dividend, a temporary measure to prioritise the preservation of capital and reduce Leverage. Resumption of dividends in future periods will be subject to TWE's financial performance and the Leverage improvement trajectory, inclusive of the expected benefits from Project Ascent

Funding structure includes committed debt facilities totalling \$2.4bn. The weighted average term to maturity of committed debt facilities was 3.9 years. Total liquidity, comprising cash and committed undrawn debt facilities, totalled \$1.0bn at 31 December 2025

ROCE¹ 9.5%, down 1.7ppts versus the pcp

**Cash flow – reconciliation of net debt**

A\$m	1H26	1H25
EBITDAS	321.1	473.1
Change in working capital	(35.0)	(36.6)
Other items	(21.5)	(8.7)
Net operating cash flows before financing costs, tax & material items	264.6	427.8
Cash conversion	82.4%	90.4%
Payments for capital expenditure	(76.8)	(78.0)
Proceeds from sale of assets	0.5	0.5
Cash flows after net capital expenditure, before financing costs, tax & material items	188.3	350.3
Finance costs paid	(58.5)	(59.4)
Tax paid	(81.6)	(90.0)
Cash flows before dividends & material items	48.2	200.9
Dividends/distribution paid	(162.3)	(154.2)
Cash flows after dividends before material items	(114.1)	46.7
Material item cash flows	23.0	(4.1)
On-market share buyback	(30.5)	-
Purchase of shares – employee equity plans	-	(16.8)
Total cash flows from activities (before debt)	(121.6)	25.8
Net (repayment) / proceeds from borrowings	(82.6)	(15.2)
Total cash flows from activities	(204.2)	10.6
Opening net debt	(1,778.9)	(1,712.5)
Total cash flows from activities (above)	(121.6)	25.8
Lease liability additions	(8.1)	(52.7)
Debt revaluation and foreign exchange movements	41.5	(132.2)
(Increase) / Decrease in net debt	(88.2)	(159.1)
Closing net debt	(1,867.1)	(1,871.6)

Cash conversion 82.4% with full year cash conversion expected to be lower, driven by net inventory build post the Australian vintage

Capital expenditure (capex) of \$76.8m includes maintenance and replacement capex of \$56.3m, and growth capex of \$20.5m with the growth capex largely related to the refurbishment of the Beaulieu Vineyard cellar door. Full year capex is expected to be approximately \$125m, reflecting the completion of projects currently in progress

Material item cash flow relates to the sale of vineyard water rights



Supply update

The Supply update focuses on the result of the vintage completed in the most recent half year, Northern hemisphere vintage outcome in the interim report and Southern hemisphere vintage outcome at the full year

California

The 2025 season was long, cool, and steady, enabling slow and even ripening and delivering elegant, balanced wines with bright natural acidity. The highest quality fruit was harvested before mid-October, after which late season rain adversely impacted crops. Yields were below long-term average in all regions, except Napa Valley, driven by small berry size from low winter rainfall in the Central Coast and elevated quality rejections in North Coast and Central Valley. Statewide California production is estimated at ~16% below the prior three-year average.¹⁰

China

Ningxia experienced cooler conditions and concentrated rainfall, while Shangri-La saw prolonged heavy rain followed by late-season heat. Despite these difficulties, disciplined vineyard management practices preserved a strong proportion of high-quality fruit, delivering vibrant and well-balanced wines.

France

Early season growing conditions for Bordeaux, Penfolds' primary sourcing region, were good, with a warm July and August supporting development. However, significant rain preceding and during the September harvest period led to challenged yield quantity. Pleasingly, these impacts did not adversely impact the quality of the yield, with overall commentary flagging the yield as high in quality and moderate in volume.

Italy

Italian regions experienced a volatile growing season, characterised by a rainy spring, hot June, and wet August and September leading into the harvest period. Conditions adversely impacted the final yield, with volumes materially below the record setting 2024 levels. Early impressions on quality are good, with key indicators superior to the output from 2024.

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Definitions

Term	Definition
9Le	9 litre equivalent case
Cash conversion*	Net operating cash flows before financing costs, tax and material items divided by EBITDAS
CFX	Constant foreign exchange rates
COO	Country of origin
CODB*	Cost of doing business. Gross profit less EBITs. Excludes non-cash items as well as tax, the cost of the Group's capital structure and non-operating transactions as a measure of underlying operational costs
COGS*	Cost of goods sold
Commercial wine	Wine that is sold at a retail shelf price below A\$10 (or equivalent) per bottle
Depletion	Depletions refer to volume movements from a TWE customer (wholesaler, distributor, retailer) to their customers
EPS*	Earnings per share
EBITDAS*	Earnings before interest, tax, depreciation, amortisation, material items and SGARA
EBITS*	Earnings before interest, tax, material items and SGARA
EBITS margin*	EBITS divided by Net sales revenue
Exchange rates	Average exchange rates used for profit and loss purposes in 1H26: AUD/USD 0.6555 (1H25: AUD/USD 0.6614), AUD/GBP 0.4893(1H25: AUD/GBP 0.5123) Period end exchange rates used for balance sheet items in 1H26: AUD/USD 0.6693 (F25: AUD/USD 0.6223), AUD/GBP 0.4969 (F25: AUD/GBP 0.4959)
Luxury wine	Wine that is sold at a retail shelf price above A\$30 (or equivalent) per bottle
Material items*	Items of income or expense which have been determined as being sufficiently significant by their size, nature or incidence and are disclosed separately to assist in understanding the Group's financial performance
Net Debt to EBITDAS*	Ratio of Net Debt to EBITDAS, includes capitalised leases per <i>AASB 16 Leases</i>
Net Operating Cashflow*	Operating cash flow before finance costs, tax and material items
NPAT profit/(loss)	Net profit after tax attributable to shareholders of Treasury Wine Estates
NSR	Net sales revenue
Premium wine	Wine that is sold at a retail shelf price between A\$10 and A\$30 (or equivalent) per bottle
ROCE*	Return on Capital Employed. EBITs divided by Capital Employed (at constant currency). Capital Employed is the sum of average net assets (adjusted for SGARA) and average net debt
SGARA	Self-generating and re-generating assets. SGARA represents the difference between the fair value of harvested grapes (as determined under AASB 141 Agriculture) and the cost of harvest. The fair value gain or loss is excluded from Management EBITs so that earnings can be assessed based on the cost of harvested grapes, rather than their fair value. This approach results in a better reflection of the true nature of TWE's consumer branded and FMCG business and improved comparability with domestic and global peers.
Shipment	Shipments refer to sales volume from TWE to a third party customer

* Non-IFRS measure

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Appendix 1: Reconciliation of key performance measures

Metric (A\$m unless otherwise stated)	Management calculation	1H26	1H25
EBITS	Net Profit / (loss) After Tax	(649.4)	220.9
	Profit / (loss) attributable to non-controlling interests	0.0	(0.3)
	Statutory net profit / (loss)	(649.4)	220.6
	Income tax expense / (benefit)	(167.0)	101.4
	Net finance costs	54.6	54.9
	Material items (gain) / loss	962.3	(0.2)
	SGARA (gain) / loss	35.9	14.7
	EBITS	236.4	391.4
EBITDAS	EBITS	236.4	391.4
	Depreciation & Amortisation	84.7	81.7
	EBITDAS	321.1	473.1
EPS	Net Profit After Tax	(649.4)	220.9
	Material items (gain) / loss	962.3	(0.2)
	Tax on material items	(211.3)	8.2
	SGARA (gain) / loss	35.9	14.7
	Tax on SGARA	(9.0)	(4.0)
	NPAT (before material items & SGARA)	128.5	239.6
	Weighted average number of shares (millions)	809.9	811.4
EPS (cents)	15.9	29.5	
ROCE	EBITS (LTM)	615.4	759.7
	Net assets ⁱⁱ	4,641.4	4,874.3
	SGARA in inventory	(10.1)	(16.5)
	Net debt	1,867.1	1,871.6
	Capital employed – Current year	6,498.4	6,729.4
	Net assets (CFX)	4,674.9	5,036.9
	SGARA in inventory (CFX)	(13.3)	(14.9)
	Net debt (CFX)	1,794.6	1,799.3
	Capital employed – Prior year (CFX)	6,456.1	6,821.3
	Average capital employed	6,477.3	6,775.4
ROCEⁱ	9.5%	11.2%	



Notes

¹ Capital employed excludes the impact of the impairment of US based assets in all ROCE metrics stated throughout this document

² August to December 2025 versus pcp; noting that in July 2024 depletions were elevated due to rebuilding of distribution in China immediately following the removal of tariffs

³ Excludes EMEA, Americas and GTR due to partial data availability

⁴ The movement in 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

⁵ Excludes EMEA, Americas and GTR due to partial data availability

⁶ Kantar Brand Health Tracking, December 2025

⁷ ViP iDIG: F26 FYTD (July 2025 – December 2025)

⁸ ANZ: Circana (EDG & Coles Liquor) – Retail scan sales growth % v pcp, US: Circana Market Advantage MULO+ with Conv: latest 26 weeks endings 28/12/2025

⁹ Circana Market (13wks W/E 04.01.2026)

¹⁰ California Alliance of Wine Growers; USDA.

¹¹ Net assets excludes the impact of the impairment of US based assets

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