TREASURY
WINE ESTATES

10 August 2026 **ASX ANNOUNCEMENT**

TWE accelerates actions to rebalance its US supply chain

Treasury Wine Estates Ltd (ASX:TWE) today announces key initiatives to rebalance its US supply chain, focused on accelerating the improvement of future returns for its Americas business. As a result of these initiatives, and incremental to the impairment recognised in 1H26, TWE expects to recognise an additional $558.4m post-tax material item charge in its F26 results, relating to the non-cash write-down of US based assets and a further impairment of brands. Additionally, TWE provides an update on its unaudited F26 Group EBITS[1], which are ahead of expectations, and reiterates EBITS guidance for F27 to be at least equivalent to F26.

US strategic and operational review - actions to rebalance supply chain

At its Investor Day on 4 June 2026, TWE announced that it would pursue a strategic and operational review of its Americas business, focused on improving shareholder returns. TWE noted that a focus of the review would relate to structural misalignment within its US supply chain where, as a result of the softened demand outlook communicated in December, there was excess supply chain capacity, particularly with respect to vineyards, wineries and packaging, and elevated levels of inventory from recent vintages.

Having considered several alternatives, TWE has now finalised its intention to undertake the following actions:

- Reduce North Coast vintage make sizes, commencing 2026, including through the fallowing of vineyards to reduce annual grape intake, along with associated asset impairments to reflect lower intended future utilisation across the network (with respect to both owned and leased vineyards); and
- Write down inventory, predominantly bulk wine, which TWE expects to manage through sale into bulk wine markets and internal reclassification.

These actions, and their associated one-time non-cash cost, are incremental to the Ascent related supply chain initiatives that were announced at the Investor Day, which included vineyard footprint reduction and transformation of winery and packaging facilities to support plans for TWE's future state portfolio, and are intended to accelerate an improvement in the Americas region profitability over the medium-term.

[1] Earnings before interest, tax, SGARA and material items.

TWE will also recognise a write-down to brands, predominantly DAOU, Frank Family Vineyards and Beaulieu Vineyard, as a result of a review of 30 June 2026 asset carrying values. This is in addition to the amount recognised at the interim results.

The operational and strategic review of the Americas remains ongoing, with TWE having appointed advisors to support the review of all available options across the Americas brand portfolio, operating model and asset base.

Summary of material items (post tax)

Material Item	2H26 ($m)
Ascent transformation program (US strategic review)	**(458.6)**
- PP&E and Right of Use assets	(229.9)
- Assets to be divested	(137.0)
- Inventory	(72.8)
- Capitalised vintage costs (V26)	(18.9)
Impairment of brands	**(99.8)**
Total material items	**(558.4)**

Performance update

TWE's unaudited EBITS before material items for F26 are expected to be $492.3m, ahead of the $480-490m guidance range provided at the Investor Day, driven by Penfolds. Leverage is expected to peak in F26 at 2.8x, also ahead of Investor Day guidance of 2.9x.

TWE reiterates its expectation for F27 EBITS to be at least equivalent to F26, with Penfolds outperformance and cost benefits from TWE Ascent offsetting US performance as customer inventory continues to be rebalanced.

The F26 results, which include the material items referenced in this announcement, remain subject to audit by TWE's external auditors.

Metric	Investor day guidance	Today's announcement
F26 EBITS	$480m-490m	$492.3m
F26 Leverage	2.9x	2.8x
F27 EBITS	Expected to be at least equivalent to F26	No change

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

"As we announced in June, we are taking proactive and decisive action to align supply to a rigorous model of future demand against the backdrop of an evolving US wine market. Both our Ascent transformation program and strategic review of potential options for the future of our US business are progressing well. The underlying momentum in our business remains positive, with our key brands delivering depletions growth ahead of their categories, led by Penfolds, DAOU and Frank Family Vineyards, and we expect to report F26 EBITS ahead of the guidance we shared in June."

F26 results announcement

TWE will release its F26 results on 13 August 2026, with an investor and analyst webcast and conference call to be held at 10:00am AEST. A replay of the presentation will also be available on the website www.tweglobal.com from approximately 2:00pm AEST.

Links to register for the conference call and webcast are provided below.

Conference call registration

https://s1.c-conf.com/diamondpass/10055375-402ogu.html

Webcast registration

https://edge.media-server.com/mmc/p/i33fmfzo

Important Information

This announcement 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 announcement contains forward-looking information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward-looking statements, opinions and estimates are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors. A number of factors could cause actual results or performance to materially differ from such forward-looking statements, opinions and estimates, including:

- changing consumer preferences and consumption occasions in the Company's key markets;
- changes in economic conditions which impact consumer demand;
- the current changes to US distribution arrangements;
- changes to TWE's production cost base, including the impact of inflation and tariffs/charges;
- foreign exchange rate impacts, given the global nature of the business;
- vintage variations;
- execution risk in implementing TWE Ascent, the Company's strategic transformation; and
- the Company's continuing exposure to geopolitical risks, including the impacts of the Middle East conflict.

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 these forward-looking statements, opinions and estimates. Except where required to satisfy its disclosure obligations, the

Company undertakes no obligation to update any forward-looking statement after the date of this announcement, subject to disclosure obligations.

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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