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Treasury Wine Writes Down Key U.S. Brands by A$99.8 Million

The impairment targets DAOU, Frank Family Vineyards and Beaulieu Vineyard, part of a broader A$558.4 million charge.

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Treasury Wine Estates said Monday that it had cut the book value of several of its main U.S. wine brands by A$99.8 million after tax, a significant write-down that falls on labels the company has treated as priorities even as its broader operating result for fiscal 2026 came in above its earlier forecast.

The impairment affects mainly DAOU, Frank Family Vineyards and Beaulieu Vineyard, according to the company's Aug. 10 announcement. All three are important names in Treasury's American premium wine portfolio. DAOU is based in Paso Robles, while Frank Family Vineyards and Beaulieu Vineyard are Napa Valley brands.

The A$99.8 million brand impairment is only part of a larger new charge disclosed by the company. Treasury Wine said the total charge was A$558.4 million, with the brand write-down making up 17.9% of that amount. The other 82.1% was tied to asset, production and inventory adjustments.

An impairment reduces the carrying value that a company assigns to brands or other assets on its balance sheet. In this case, Treasury Wine is signaling that the values previously attached to those U.S. labels should be lowered in its accounts. The company did not disclose how much of the A$99.8 million reduction was assigned to DAOU, Frank Family Vineyards or Beaulieu Vineyard individually.

The write-down stands out because it lands on brands linked to Treasury Wine's push in higher-end American wine. DAOU, Frank Family and Beaulieu occupy the premium segment, where producers usually seek stronger margins and a more upscale consumer base. A reduction in their book value does not by itself explain how each brand is performing in the market, but it does show that the company has revised downward the accounting value it attaches to those assets.

At the same time, Treasury Wine reported a stronger-than-expected operating result for the year. The company said annual EBITS before material items would reach A$492.3 million, which is A$2.3 million above the top end of its previous guidance range of A$480 million to A$490 million. That creates a sharp contrast in the company's year-end update: the group as a whole outperformed its own forecast, while some of its most visible U.S. premium labels were marked down.

Treasury Wine said the better operating performance was driven mainly by Penfolds, its flagship luxury wine business. That detail is important because it shows how uneven the year was across the group. Strength in one part of the portfolio was enough to lift the company above guidance, even as it took a large charge against several American brands.

The company also warned that the EBITS figure should not be read as net profit. Treasury said the number is provisional and excludes material items and SGARA, meaning it is a measure of operating performance rather than a final bottom-line result. That distinction matters because the write-downs and other adjustments announced this week will weigh on the full statutory result when Treasury Wine publishes its annual accounts.

For wine industry observers, the announcement leaves several questions open. Treasury Wine did not provide updated sales figures, case volumes or any brand-by-brand breakdown of the impairment. It also did not say how much of the total hit related to each of the three U.S. brands named in the disclosure. Without that detail, it is not possible to tell from the announcement alone whether the pressure was concentrated more heavily in one label than another.

The lack of a fuller breakdown may be especially notable for DAOU, Frank Family and Beaulieu because each occupies a distinct place in California wine. DAOU has become a prominent premium name in Paso Robles, while Frank Family and Beaulieu are established Napa Valley labels with strong recognition among consumers and visitors. Their presence in the impairment notice gives the accounting adjustment a wider meaning than a routine corporate line item, since it touches brands that matter both commercially and symbolically in the U.S. fine wine market.

Treasury Wine framed the update around fiscal 2026 performance and valuation changes rather than around shipment or depletion trends. That means investors, distributors and wine market analysts will likely need to wait for the full annual results to get a clearer view of how the company sees demand, pricing and inventory conditions across its American business. In the Aug. 10 statement, the central facts were narrower: a A$99.8 million after-tax impairment focused mainly on DAOU, Frank Family Vineyards and Beaulieu Vineyard, embedded within a broader A$558.4 million charge, alongside provisional EBITS of A$492.3 million that exceeded prior guidance but did not represent net profit.