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Endeavour booked A$78 million charge for Pinnacle wine overhaul.

The one-off FY26 adjustment covered vineyards, wineries, inventory as the company cut production for weaker wine demand.

Tuesday, August 25, 2026


ENDEAVOUR
ENDEAVOUR
Dry Creek
VINEYARD
2014
CABERNET SAUVIGNON
DRY CREEK VALLEY
J K4
ENDEAVOUR
J-CLASS
J-K4 (1934)
DRY CREEK VINEYARD
DRAFT
NAMED AFTER CAPTAIN COOK'S FAMOUS SAILING SHIP, ENDEAVOUR EMBODIES COOK'S BOLD AND PIONEERING SPIRIT

Endeavour Group said it recorded A$78 million in adjustments tied to Pinnacle Drinks in the fiscal year ended June 28, as the Australian retailer and drinks company moved to scale back parts of its wine operations and reshape its portfolio for weaker demand.

The charge, disclosed in the company's FY26 results and investor presentation released on Aug. 24, reflects the cost of restructuring Pinnacle's wine business in Australia. Endeavour said the amount includes the reclassification or impairment of wineries and vineyards that are being prepared for sale or closure, along with a reduction in inventory linked to efforts to simplify the product range.

The figure gives investors a clearer measure of the cost of reducing in-house wine production and adjusting the business to a softer market for Australian wine. The company did not provide a detailed split of the A$78 million across the individual items included in the adjustment. It did not say how much of the amount related specifically to inventory write-downs, vineyard assets, winery assets, or closure costs.

The adjustment was described as a one-off item for the 52 weeks ended June 28. Because of that, there is no directly comparable figure from the prior fiscal year. The charge affects the book value of parts of the wine business and highlights the pressure facing producers and distributors as demand weakens and companies rethink how much production capacity and stock they need.

Pinnacle Drinks is Endeavour's drinks supply and brand business and covers more than wine. It also has exposure to other beverage categories. But the A$78 million charge outlined in the company's disclosures was linked to the restructuring of the wine operations, according to the description in the results materials.

The move comes as wine producers in Australia continue to deal with slower consumer demand and the need to align supply with current buying patterns. For Endeavour, that has meant reducing the number of products it carries, lowering inventory, and reviewing physical assets tied to wine production. Assets marked for sale or closure can require accounting changes before a transaction is completed, including impairment charges or reclassification on the balance sheet.

The inventory component of the adjustment points to a separate pressure within the business. When a company narrows its range, some stock may need to be discounted, written down, or cleared more quickly than originally planned. That can reduce the carrying value of inventory and create an earnings hit in the period when the decision is made. Endeavour’s disclosures indicate that this process formed part of the A$78 million total.

The company’s results materials frame the charge as part of a broader effort to adapt the wine portfolio to current market conditions rather than maintain earlier production and stock levels. In practical terms, that means pulling back from some owned production, reviewing which vineyards and wineries remain strategic, and simplifying the mix of labels and products sold into the market.

Because Endeavour did not break out the components of the charge, investors are left without a precise view of which part of the restructuring accounted for the largest share of the A$78 million. The lack of detail also makes it harder to judge how much of the cost came from immediate inventory actions and how much came from longer-term decisions on production assets. What is clear from the company’s filing is that the charge is tied to a significant reset inside Pinnacle’s wine operations during fiscal 2026.