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Lark Distilling expects a weaker first half of fiscal 2027 after overseas channels lag plans

Management said international routes to market are advancing more slowly than planned despite annual sales growth of 15.1% to A$18.0 million

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Lark Distilling Co. said on Thursday, November 19, that it expects a weaker first half of fiscal 2027 as its international sales channels advance more slowly than planned, a warning that stands in contrast to the company’s annual sales growth and its large stock of whisky still maturing.

The Tasmania-based producer, which makes and sells single malt whisky and gin, gave the outlook in presentation materials and remarks for its annual meeting. The company did not put a number on how weak the first half is expected to be, but it tied the softer outlook to the slow development of its international routes to market.

Lark said it had about 2.4 million liters of whisky inventory in maturation, measured at 43% alcohol. The company presented that figure as part of its update to shareholders on the same day. The stock figure refers specifically to whisky, while the company’s reported sales cover the broader business, including gin.

For the fiscal year ended in June 2026, Lark reported net sales of A$18.0 million, up from A$15.6 million a year earlier. The company cited growth of 15.1%, a figure based on unrounded numbers. The increase amounted to about A$2.4 million from the prior year.

The update points to a business that is still growing on an annual basis but is facing a slower near-term trading period as it tries to build demand and distribution outside its home market. Lark’s main market is Australia, and the company also has commercial exposure to China, according to the meeting materials.

That exposure matters because international expansion can be slower and more uneven for spirits producers than domestic growth, especially when they depend on developing third-party channels and brand awareness in export markets. Lark did not provide a detailed breakdown in the cited materials of which overseas channels were behind plan or how much of the first-half weakness would come from Australia versus export business.

The inventory figure is also significant for investors because whisky requires years of maturation before sale. A large maturing stock can support future revenue if demand holds and distribution expands, but it also ties up capital and leaves producers exposed

if market conditions soften or if sales channels do not scale as expected. Lark did not offer, in the disclosed materials cited here, a directly comparable prior-period stock figure for the whisky inventory.

The company’s statement came as part of a primary corporate disclosure rather than an observed result for the current half-year. The first-half fiscal 2027 outlook is management guidance, not a completed performance update. The annual sales figures, by contrast, relate to the already closed fiscal year ended in June 2026.

Lark signed the presentation used as the source for the disclosure. The materials were published through company announcements carried by The Australian Financial Review’s announcements platform. In those materials and in the annual meeting remarks, the company reiterated both the fiscal 2026 result and the inventory position while flagging that the opening half of fiscal 2027 is likely to be softer because international channels are progressing slowly.