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Australian Vintage Launches New Wine Range Amid Mixed Financial Results

Despite revenue decline and net loss, company sees strong cash performance and anticipates successful Poco Vino launch in 2025.

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Australian Vintage has introduced a new wine range amid mixed half-year results for fiscal 2025. For the six months ending December 31, the McGuigan wines producer reported a 7.4% revenue decline to A$126.1 million ($79.7 million). Gross margins also fell by 11% to A$35.4 million. Despite these figures, the company highlighted its best cash performance in four years, with a normalised cash outflow improvement of A$11 million compared to the same period in 2023, reducing to A$8 million.

The company announced the launch of a new wine range under the Poco Vino brand, which follows a "make where sold" sourcing strategy. This approach aims to achieve cost efficiencies while aligning with consumer willingness to pay more. In Europe, Poco Vino wines will be sourced from France and Italy, while in the US, they will come from

Napa, California. For the Asia-Pacific market, the wines will be sourced from Australia. When asked for more details, Australian Vintage did not provide additional information.

CEO Craig Garvin expressed optimism about the new range, noting that early orders have exceeded expectations. Major retailers in the UK and Australia have agreed to stock the product, set to launch in 2025. Garvin anticipates Poco Vino pre-orders for fiscal year 2026 to exceed A$8 million, marking it as the most exciting launch in the company's history. He also mentioned ongoing efforts to enhance the portfolio through partnerships, consolidations, and acquisitions, funded by non-core asset sales.

During the first half of the fiscal year, Australian Vintage reported a net loss of A$473,000, a significant drop from a net profit of A$2.8 million in the same period in 2023. Both reported and underlying EBITDAs declined, with the former down 22.7% to A$11.2 million and the latter decreasing 20% to A$13.2 million. Underlying EBITS fell by A$2 million to A$6 million, reflecting cost management efforts amid challenging market conditions. Despite these challenges, the company maintained its market share in the UK, Australia, and New Zealand, demonstrating resilience.

In August, Australian Vintage revised its sales strategy to improve cash flow and return on capital. Earlier in 2024, the company sought to raise capital and reduce debt through a share offer and asset sales. Craig Garvin was reappointed as CEO in October, just five months after his contract ended. Australian Vintage chairman James Williamson emphasized the importance of Garvin's involvement in the company's future. Margaret Zabel, chair of the people, remuneration, and nomination committee, praised Garvin's leadership and ability to build strong relationships with stakeholders.

In fiscal 2024, Australian Vintage's revenue grew by 1% to A$261 million. Underlying EBITS increased by 24% to A$13 million, and underlying NPATS rose by 29% to A$5 million. However, the company experienced a sharp decline in statutory net profit, posting a loss of A$93 million, a 2,421% decrease from the previous year.