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Australian Vintage bets on single-serve wines to boost profits after tough year

company upgrades sales forecasts as new products outperform expectations in key markets and international expansion accelerates

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Australian Vintage Limited is focusing on single-serve wine products to drive a return to profitability after a challenging financial year. The company, which operates in the wine production industry, has revised its sales forecasts upward following stronger-than-expected demand for its new single-serve brands, particularly in the United Kingdom.

The winemaker reported that its Poco Vino and Lemsecco single-serve offerings are central to its growth strategy. Sales projections for these products have been upgraded from AU$6 million to AU$15 million. Poco Vino has outperformed initial expectations in Australia, the UK, and Asia, leading to the revised forecast. Lemsecco, a sparkling blend of Prosecco and Australian citrus, is expected to generate AU$6 million in net sales.

In a recent statement, Australian Vintage said that its higher expectations for 2026 do not fully capture the potential of Poco Vino. The company noted that current forecasts are based on limited distribution in Australia and the UK for only part of the 2026 fiscal year. Early sales in the UK have exceeded estimates by four times since the last guidance was issued.

The company plans to accelerate growth through expanded distribution in core markets such as Australia and the UK, as well as new partnerships in New Zealand, Thailand, Malaysia, China, and Europe. Australian Vintage is also finalizing rollout plans for the United States, Indonesia, the Philippines, and countries across the Middle East.

Additional product launches are planned, including new sparkling wine SKUs and premium ranges aimed at global travel retail, hotels, and on-premise accounts. To support this expansion, Australian Vintage will use three dedicated manufacturing hubs: Amsterdam for Europe and the UK, Napa Valley for the US market, and Merbein for Australia. This “make where sold” model is designed to reduce shipping times, increase profitability, and speed up market entry.

For the financial year just ended, Australian Vintage reported revenue of AU$257.2 million, a 1% decrease from 2024. However, underlying earnings improved to AU$15 million and net losses narrowed to AU$6 million. The company is targeting revenue growth of 5% to 8% this year, driven by strong early sales of new products and continued international expansion.

Australian Vintage expects to reach a free cash flow neutral position by the end of this financial year. It projects free cash flow generation of more than AU$10 million in fiscal year 2027 and over AU$20 million per year by fiscal year 2028. The company also anticipates significant growth for its McGuigan and Not Guilty zero-alcohol wines in the UK market, with plans to expand these brands into Canada and the United States.