

Treasury Wine Estates flags \$50M revenue headwind from California distribution shift

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The anticipated hit follows TWE's July appointment of Breakthru Beverage Group as its California distributor, replacing Republic National Distributing Company (RNDC). The company said the forecast reflects adjustments in shipment and depletion targets under the new arrangement.

While the exact impact on sales and EBITs remains contingent on final transition planning and exit negotiations with RNDC, TWE expects the earnings effect to be modest. "Our outlook for Treasury Americas hinges on mitigating shipment reductions through RNDC negotiations," the company stated.

Despite the near-term disruption, TWE delivered strong full-year 2025 results, with reported net sales revenue rising 7.2 per cent to A\$2.9 billion, driven by robust growth in its Luxury portfolio — notably Penfolds and Daou — partially offset by declines in Premium and Commercial brands. EBITs surged 175 per cent to A\$770.3 million, while net profit after tax climbed 342 per cent to A\$436.9 million.

Looking ahead to fiscal 2026, TWE forecasts low- to mid-double-digit EBITs growth for Penfolds, weighted toward the second half of the year, and aims for 15 per cent EBITs growth in fiscal 2027. The company expects its "Treasury Collective" division — encompassing brands such as 19 Crimes, Cali by Snoop, and Squealing Pig — to see moderating top-line declines as growth in its priority portfolio offsets ongoing softness in its Commercial segment.

"Our focus remains on executing brand-led growth, optimising our route-to-market strategies, and strengthening our premium and luxury positioning globally," the company said.