



**June 11<sup>th</sup>, 2024**



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# Introduction



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**SipSource**  
By WSWA

# To look forward, start by looking back



Consumer  
Uncertainty

Impacted vs.  
Insulated  
Consumers

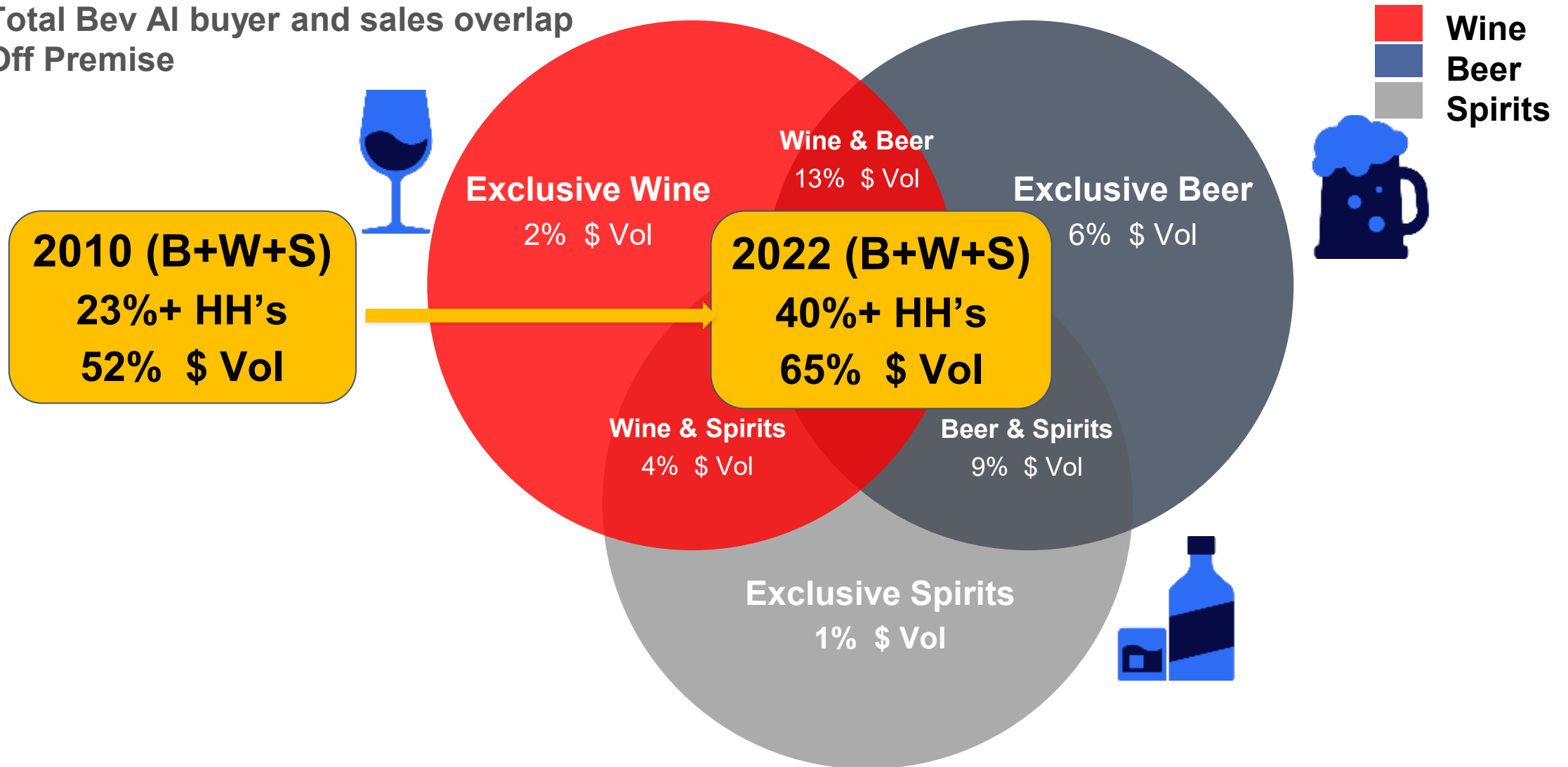
Irrational  
Spending

Consumer  
Uncertainty

Luxury  
Spending  
Pullback

# More than ever-today's consumer drinks across categories

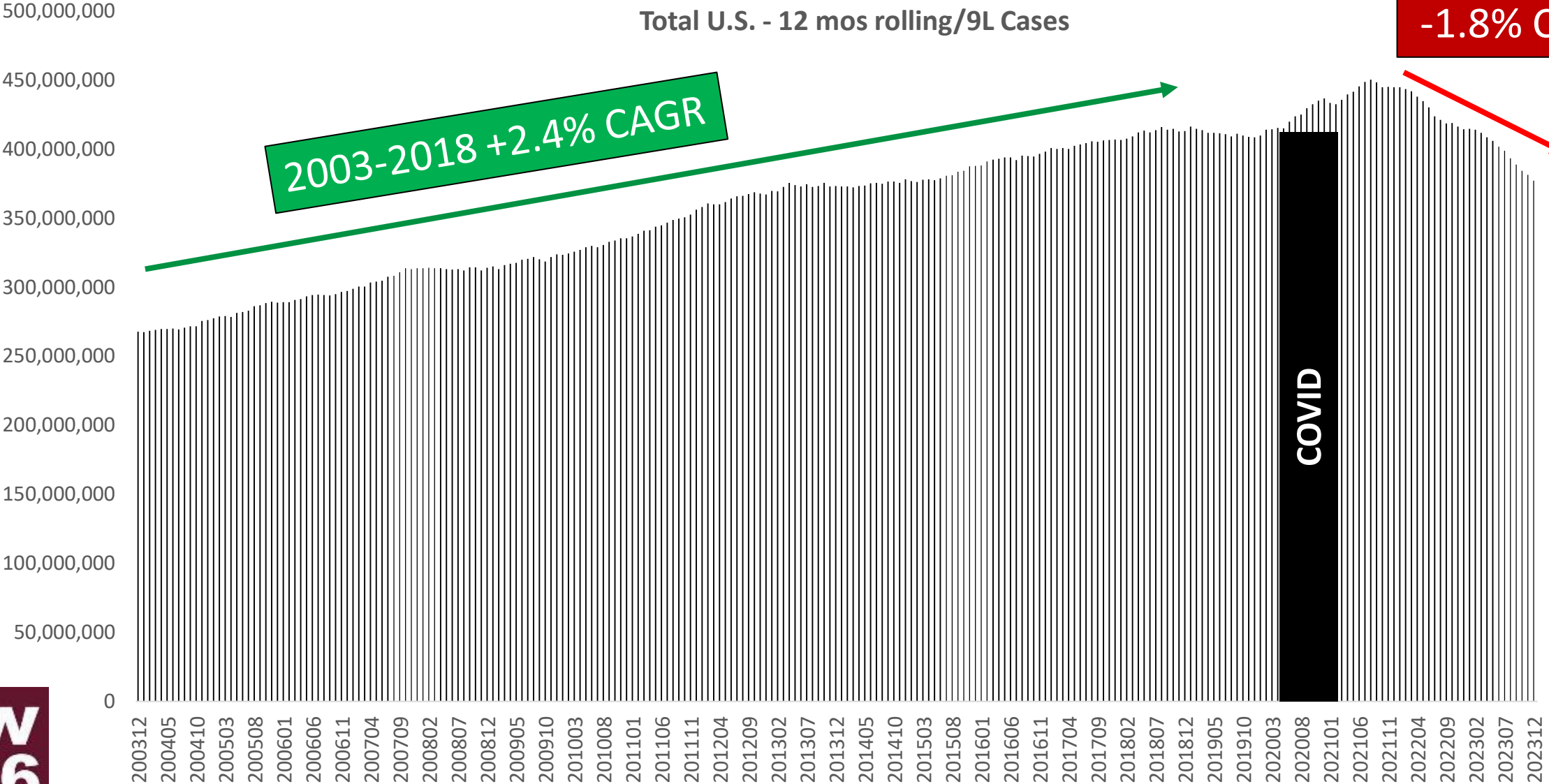
Total Bev AI buyer and sales overlap  
Off Premise



# Tremendous 20+ year growth for wine

## Wine Shipments

Total U.S. - 12 mos rolling/9L Cases

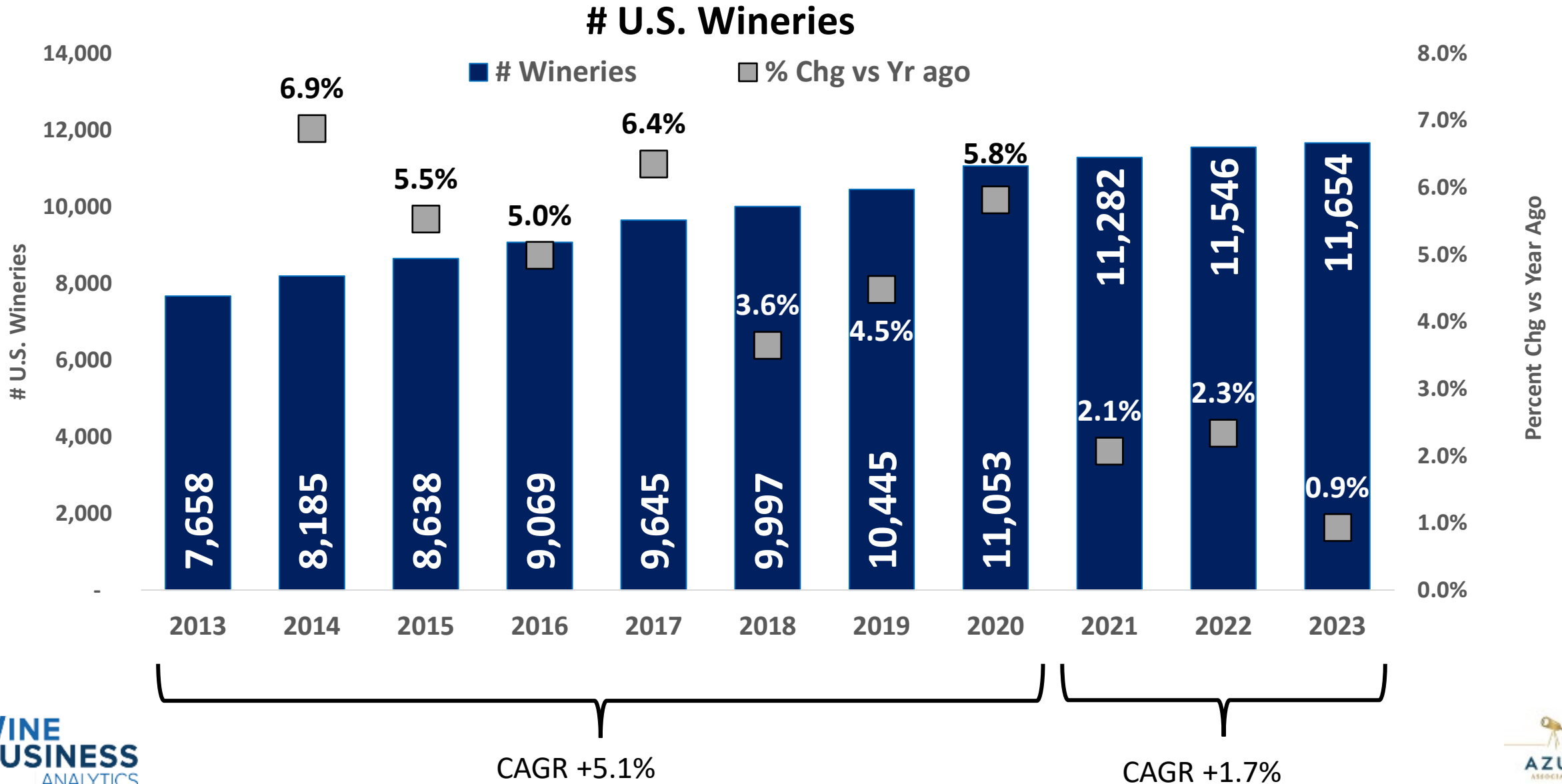


2003-2018 +2.4% CAGR

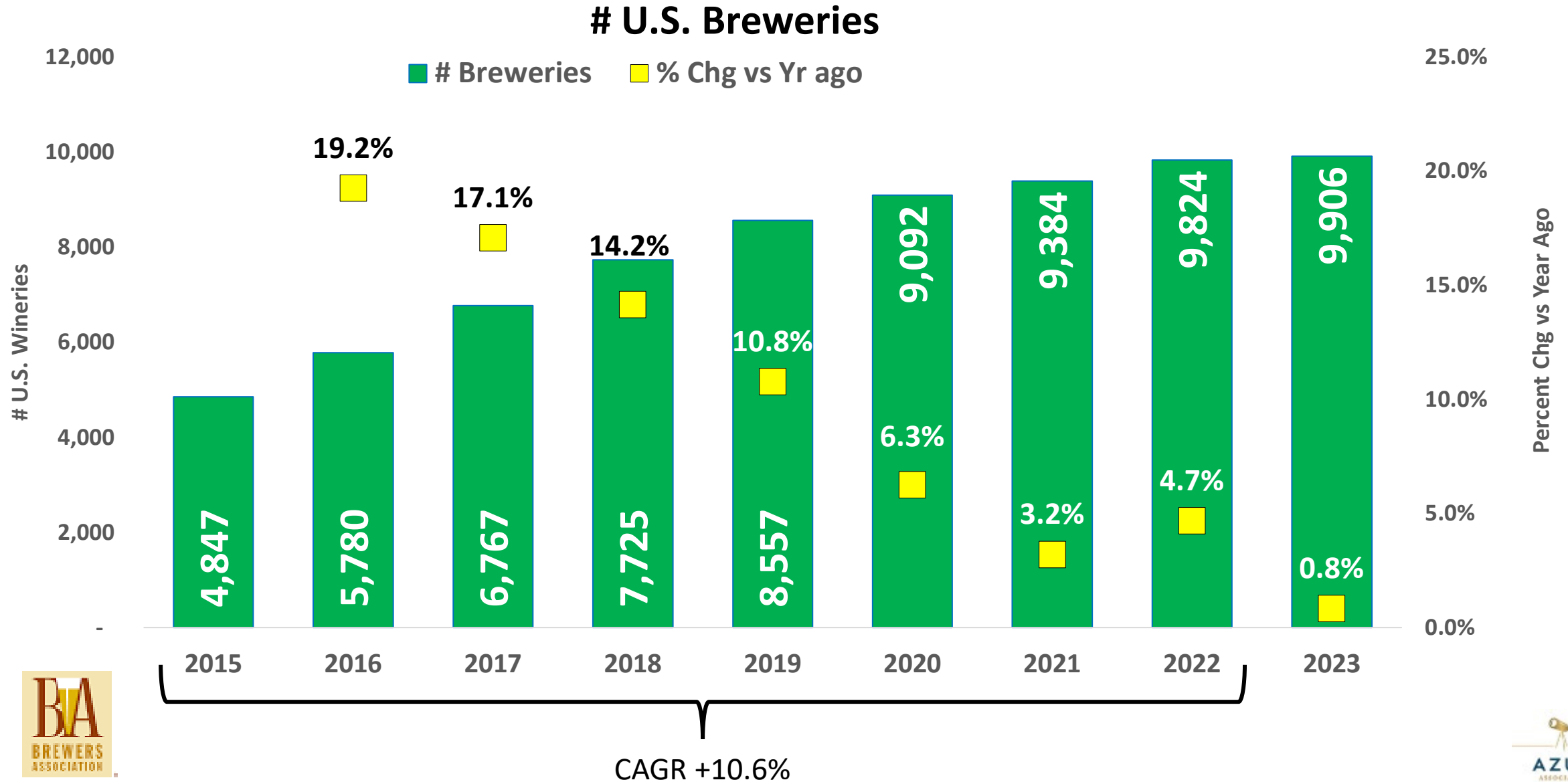
2018-2023  
-1.8% CAGR



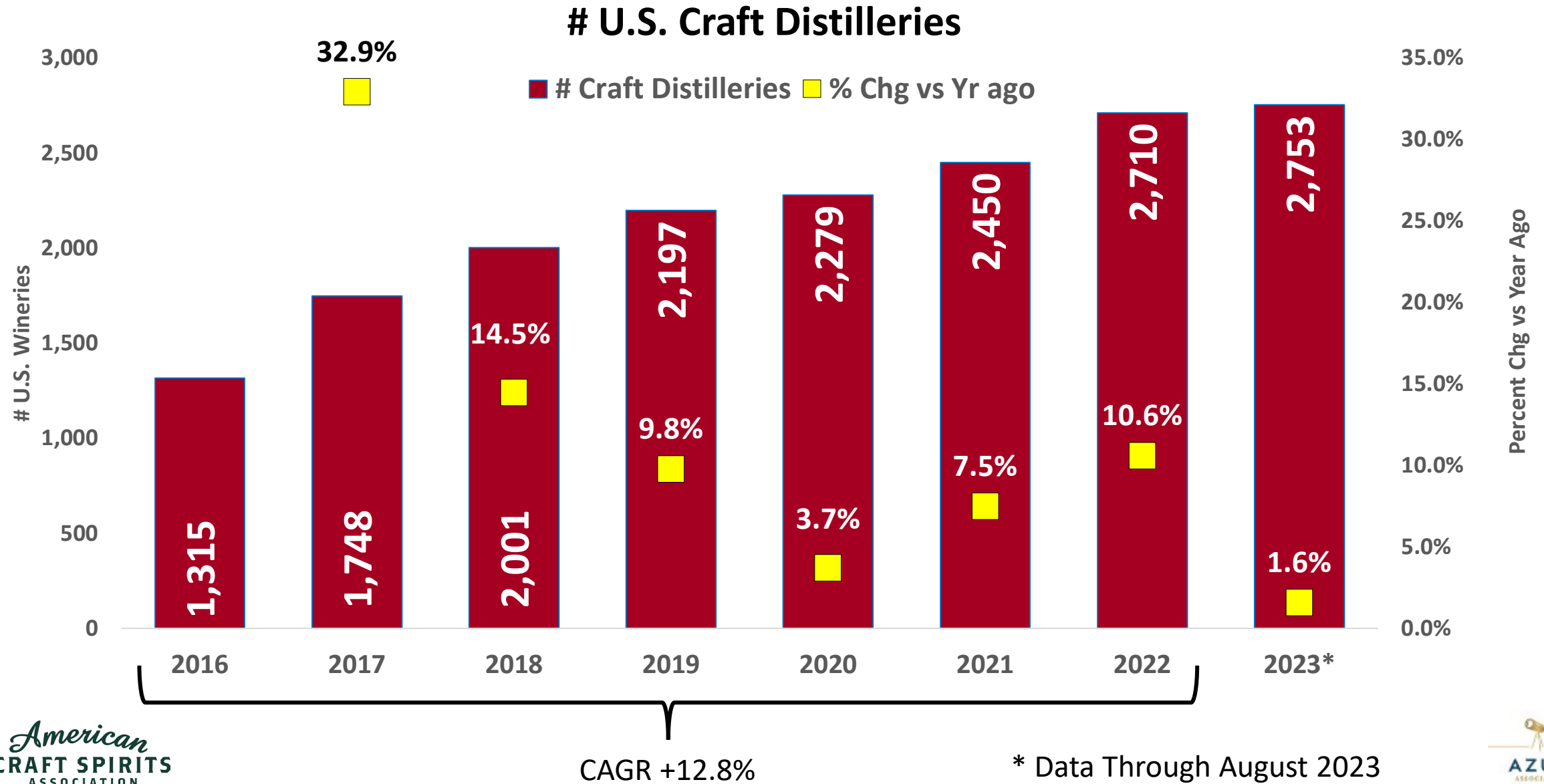
# Is 2023 the turning point for growth in # of wineries?



# Net brewery openings slowing



# Craft Spirits distillery growth softening





# All 3 categories still in decline, but some improvement in April

TOTAL U.S. – 3 Tier/Wholesale (On + Off Premise)

Dec 2020



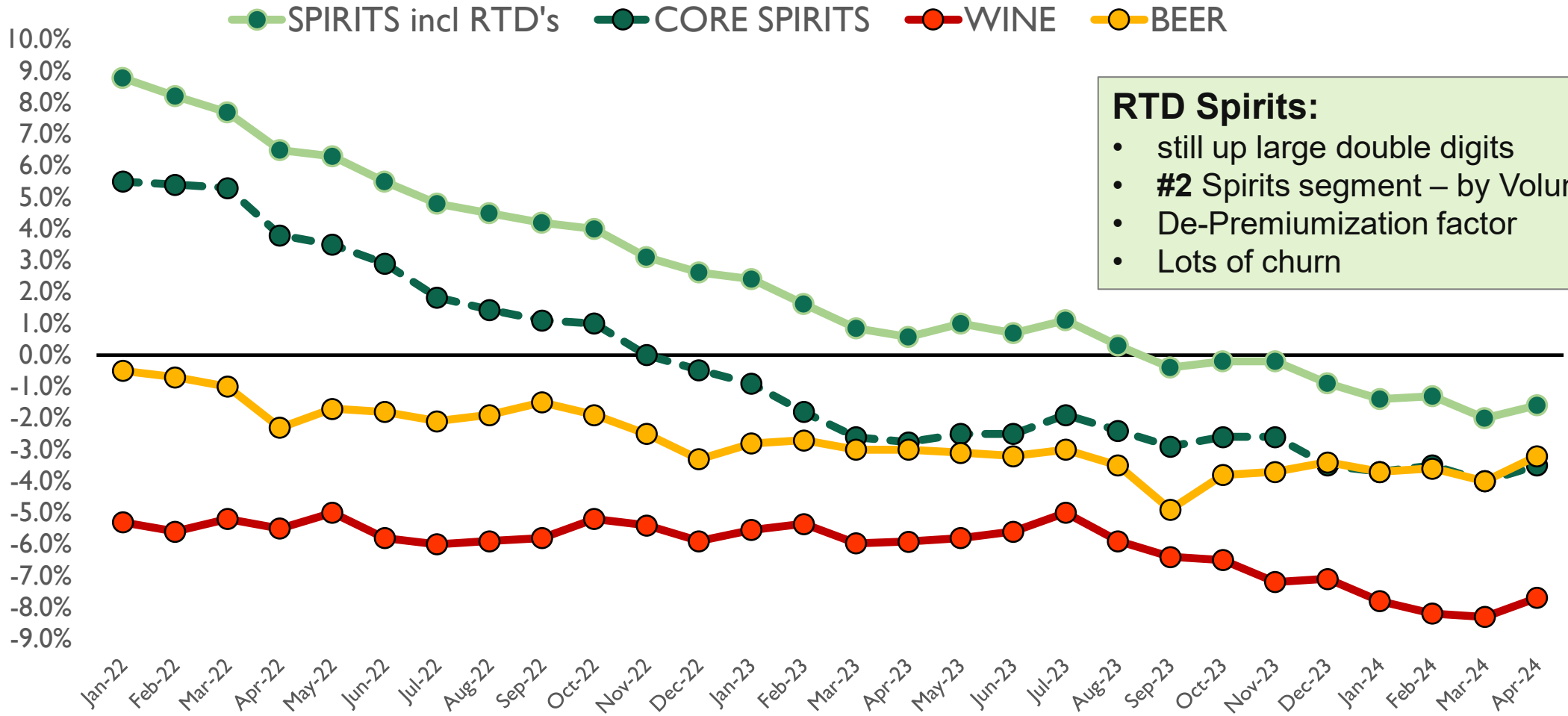
+4.7%



+0.3%



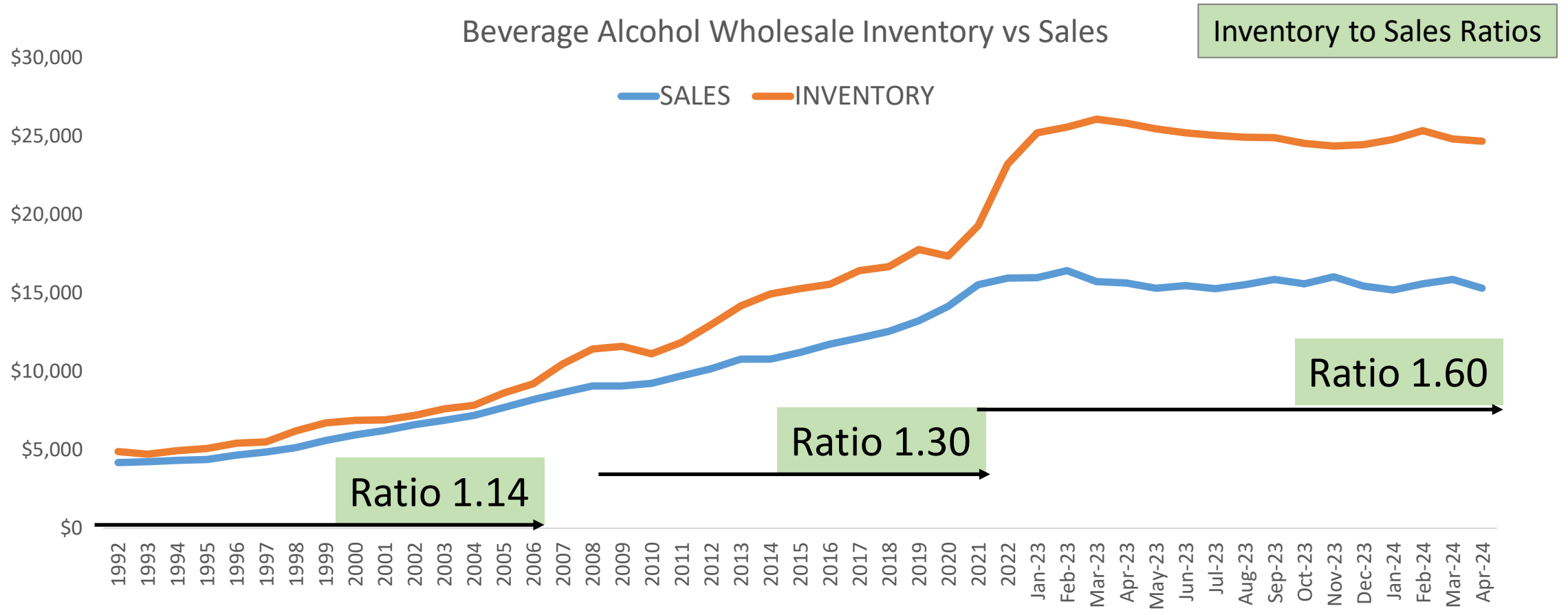
+1.2%



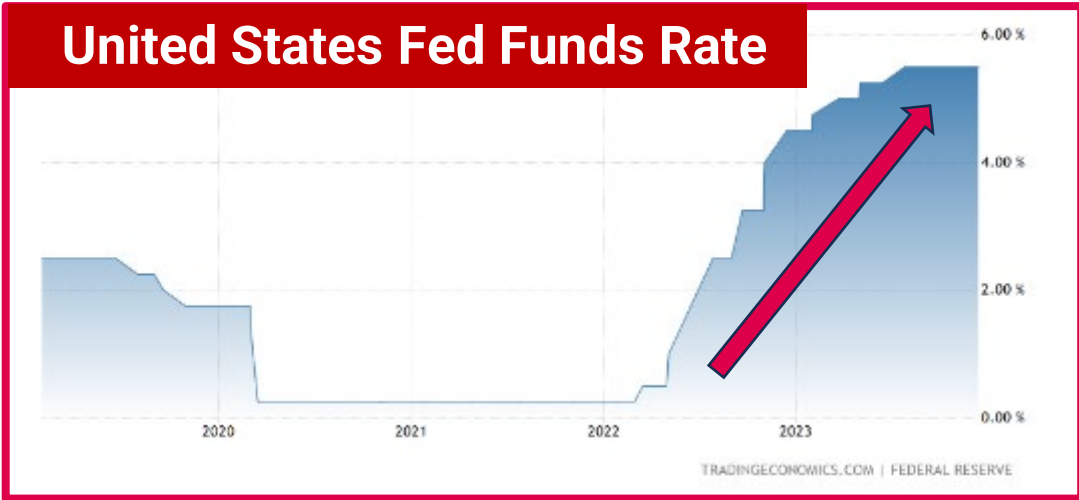
**RTD Spirits:**

- still up large double digits
- #2 Spirits segment – by Volume
- De-Premiumization factor
- Lots of churn

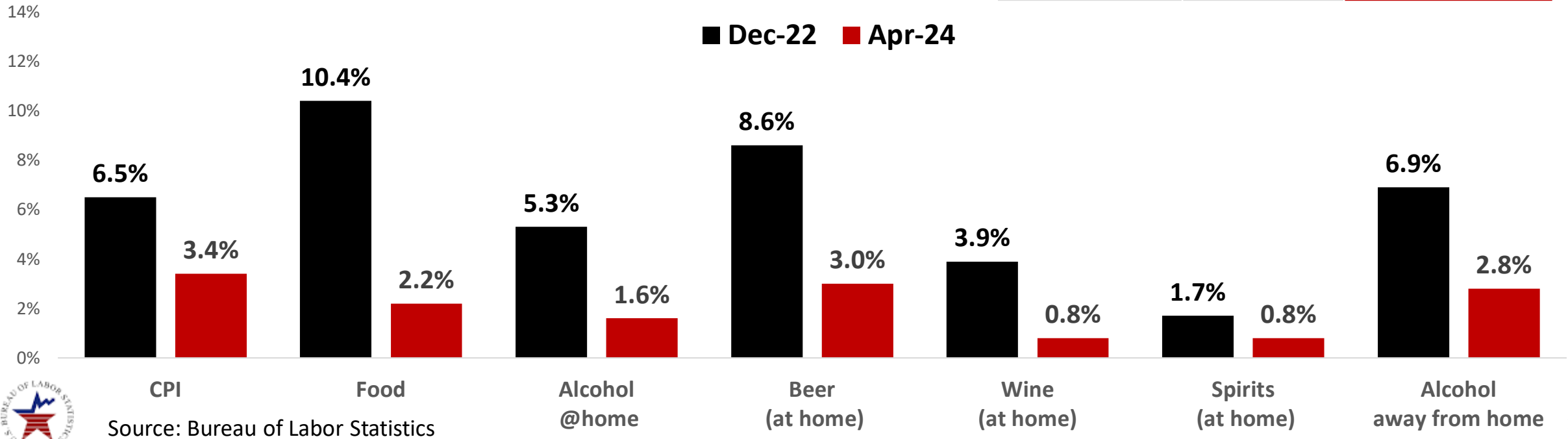
# Significant increase in Wholesaler inventory since late 2021



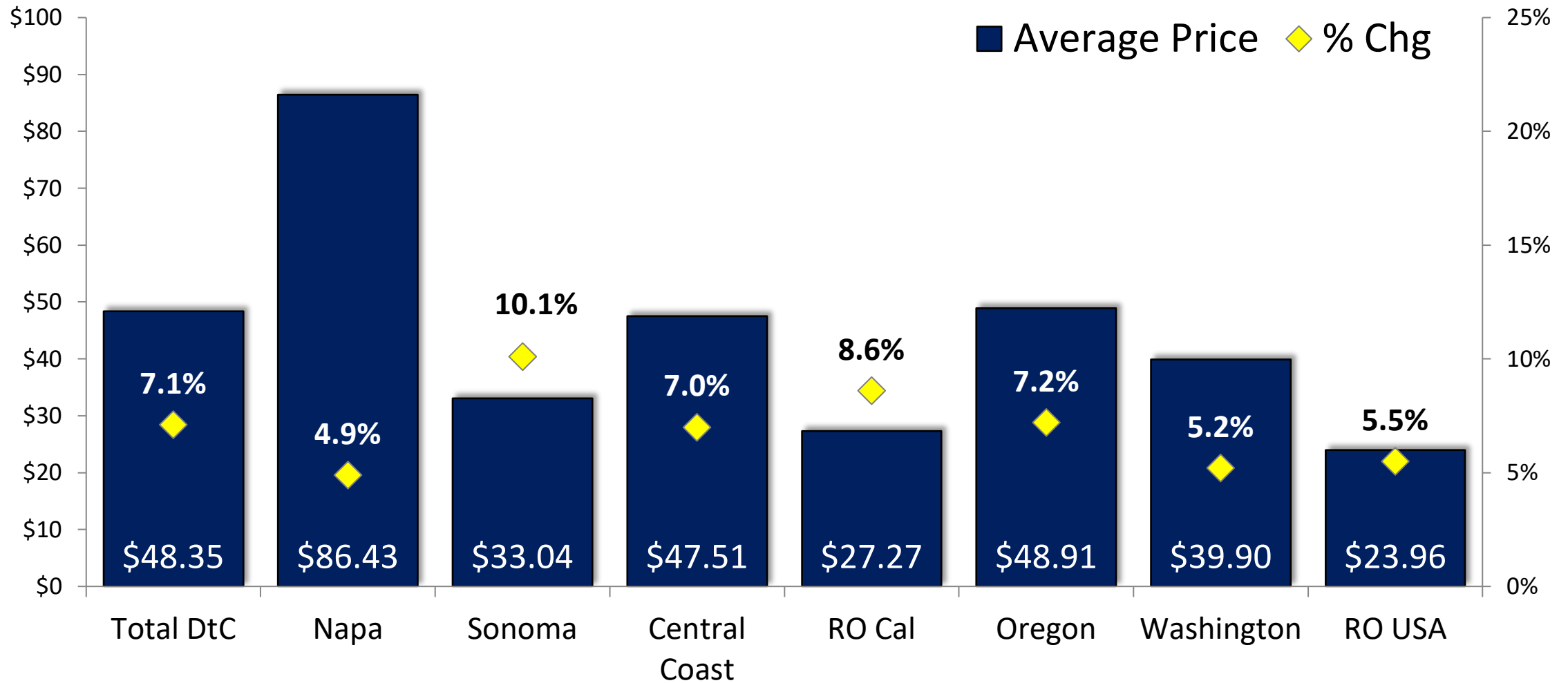
# Inflation Stabilizing But High Prices and Interest Rates Impactful



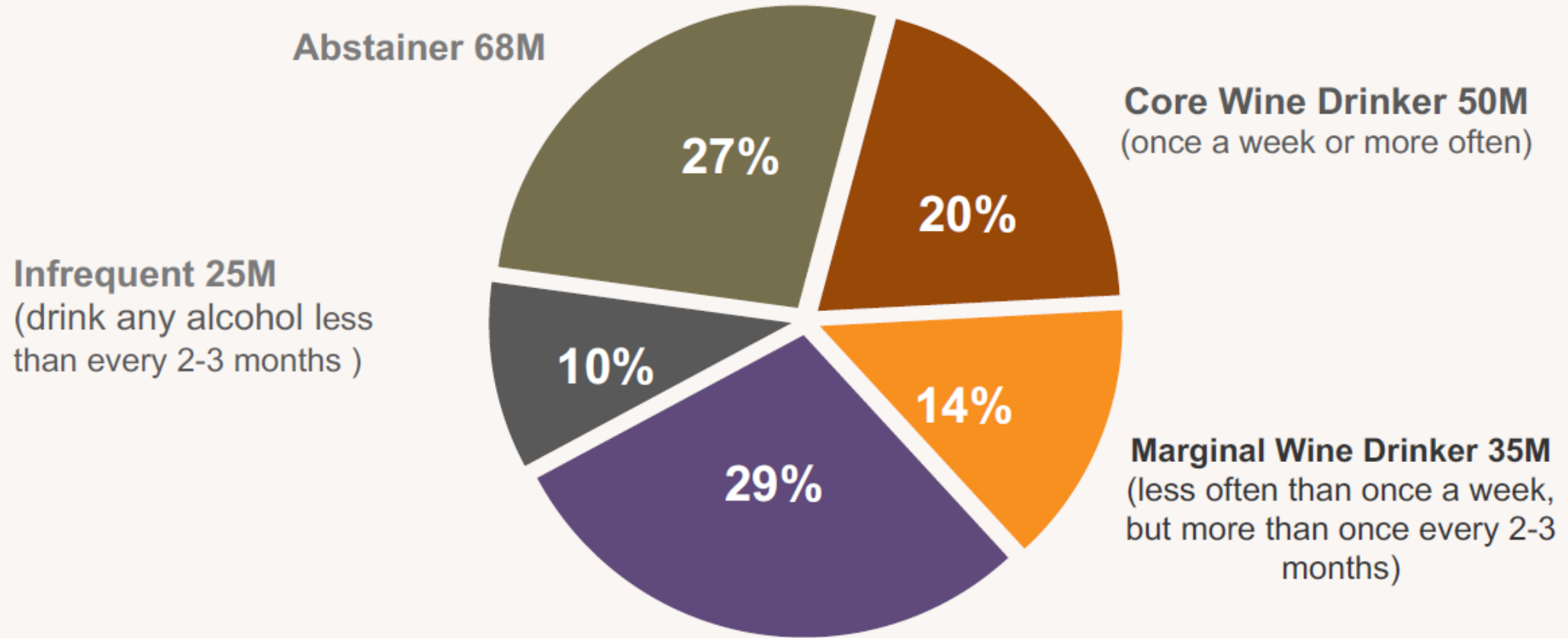
	Apr 2024	At Home	Away from Home
Food		1.1%	4.1%
Beer		3.0%	4.0%
Wine		1.2%	3.4%
Spirits		1.0%	2.7%



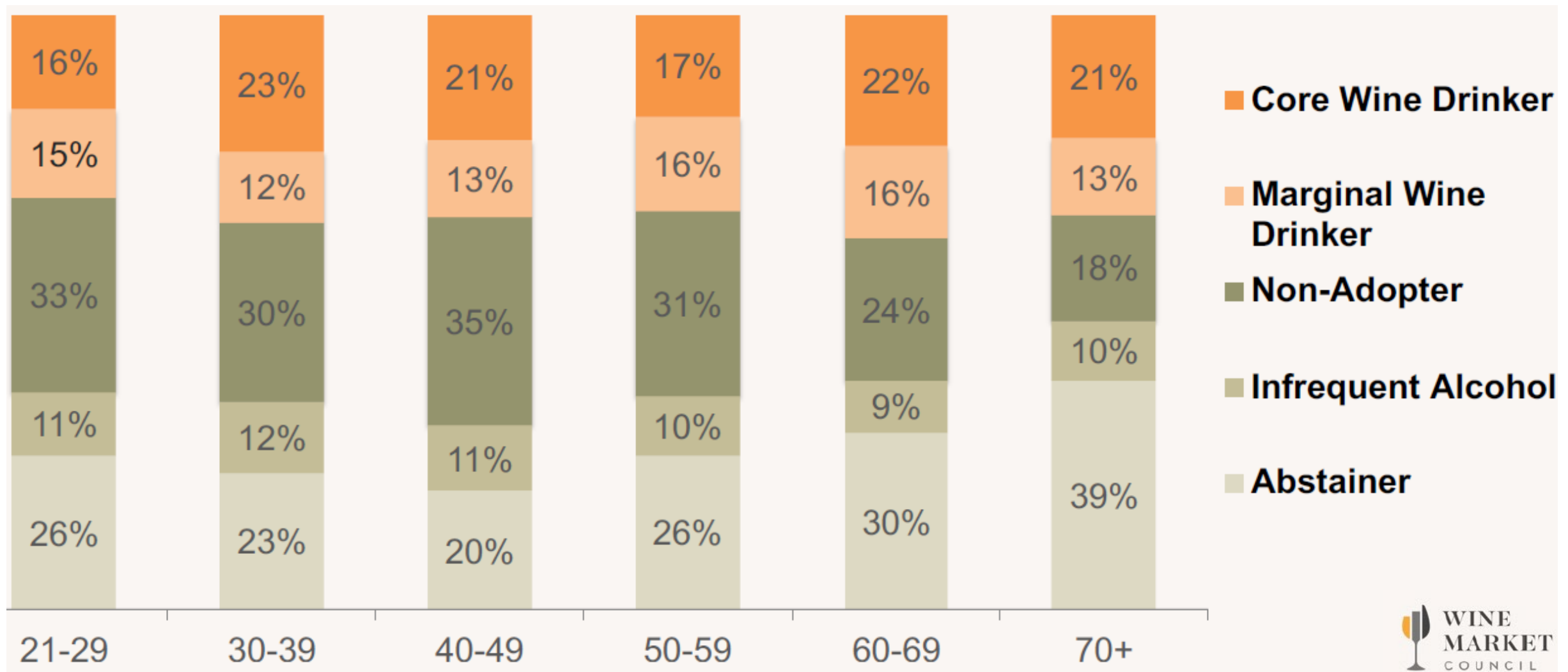
# Average retail price continued to rise for DtC in 2023



# Approximately 50-million adults drive the wine industry



# Wine consumption profile by age



# Key Takeaways

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- Wine Category Volume is Unlikely to Grow in the Medium Term
  - Below \$8.00 segment remains large and will not grow
  - This too shall pass...when is the question?
  - Napa remains special and will continue to command premium pricing
- Category attributes line up well with consumer values
  - Experiential lifestyle orientation
  - Wine is a Natural product!
  - Wine is the beverage of moderation
  - Are we effectively communicating these attributes?
- Next 3-5 Years Are Not For The Faint of Heart

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# Thank You





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