IRI Growth Solutions

Creating competitive advantage for our clients

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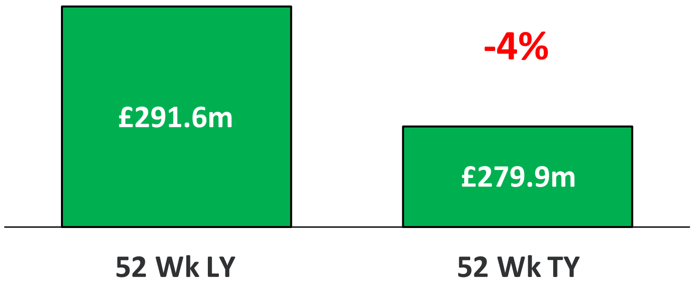
Insight Analyst

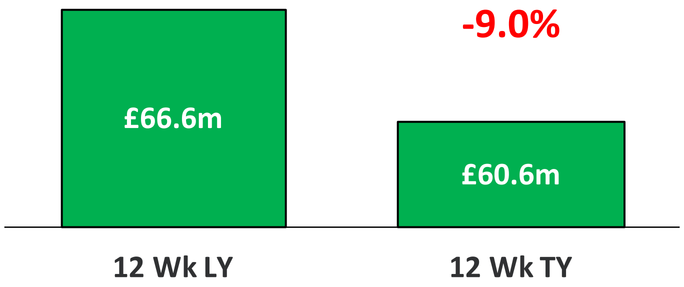
IRi Growth delivered.

NZLIGHTER

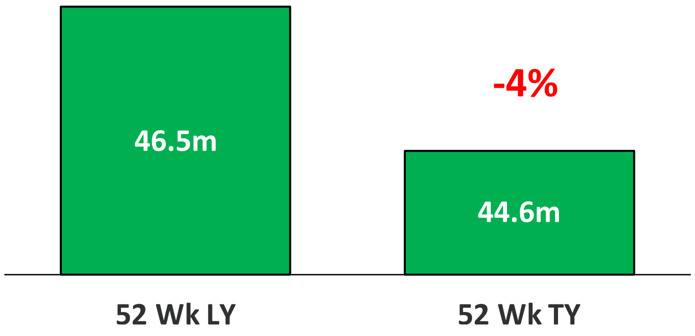
Low Alcohol Value and Volume have both declined at a similar rate in the latest 52 weeks. In the latest 12 weeks the decline accelerated

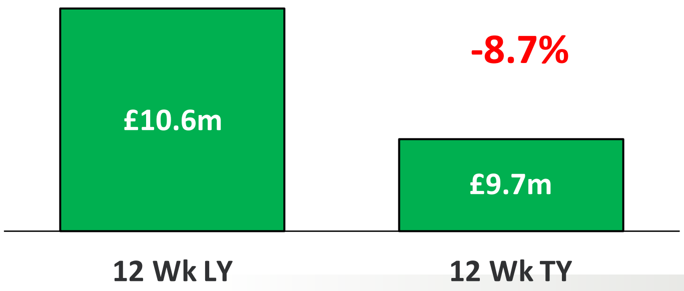
Value Sales (£)





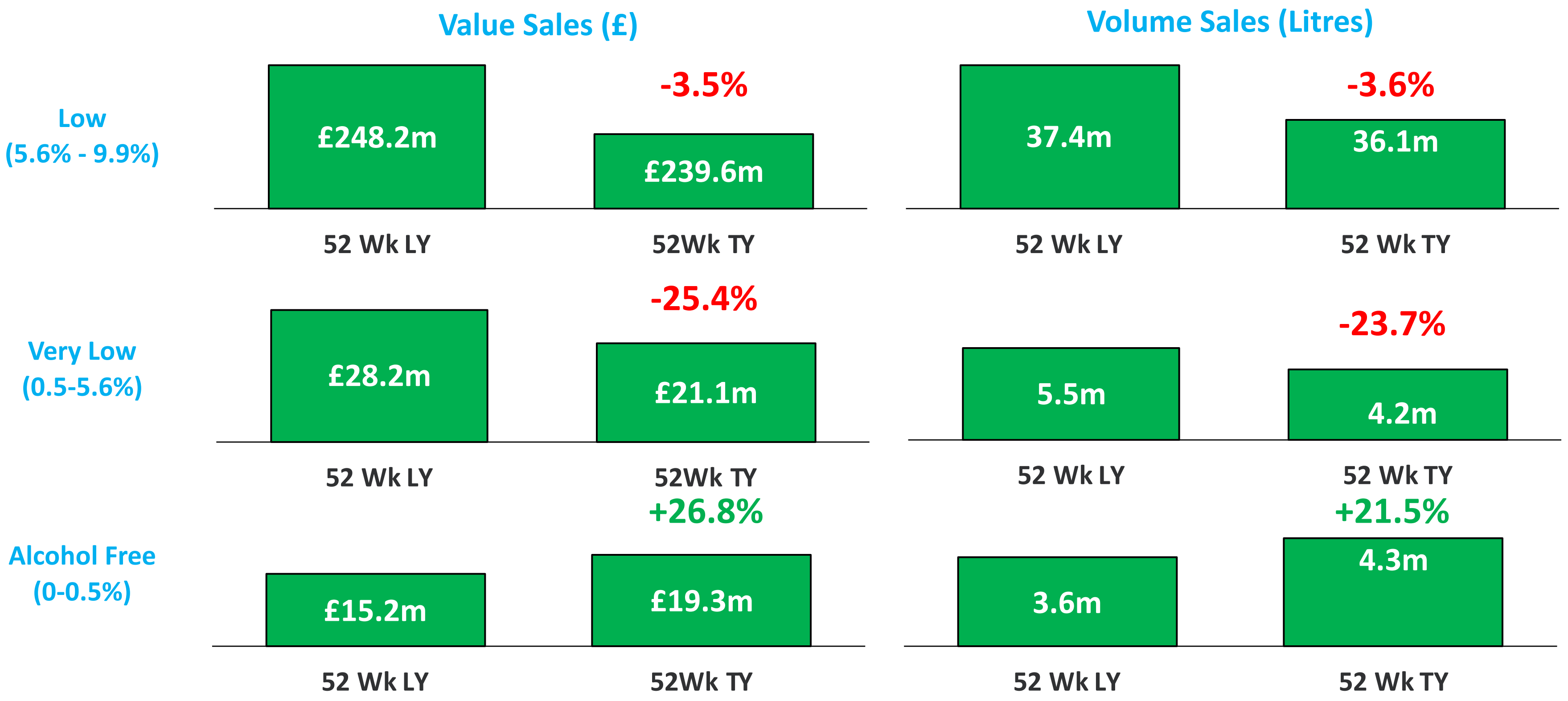
Volume Sales (Litres)





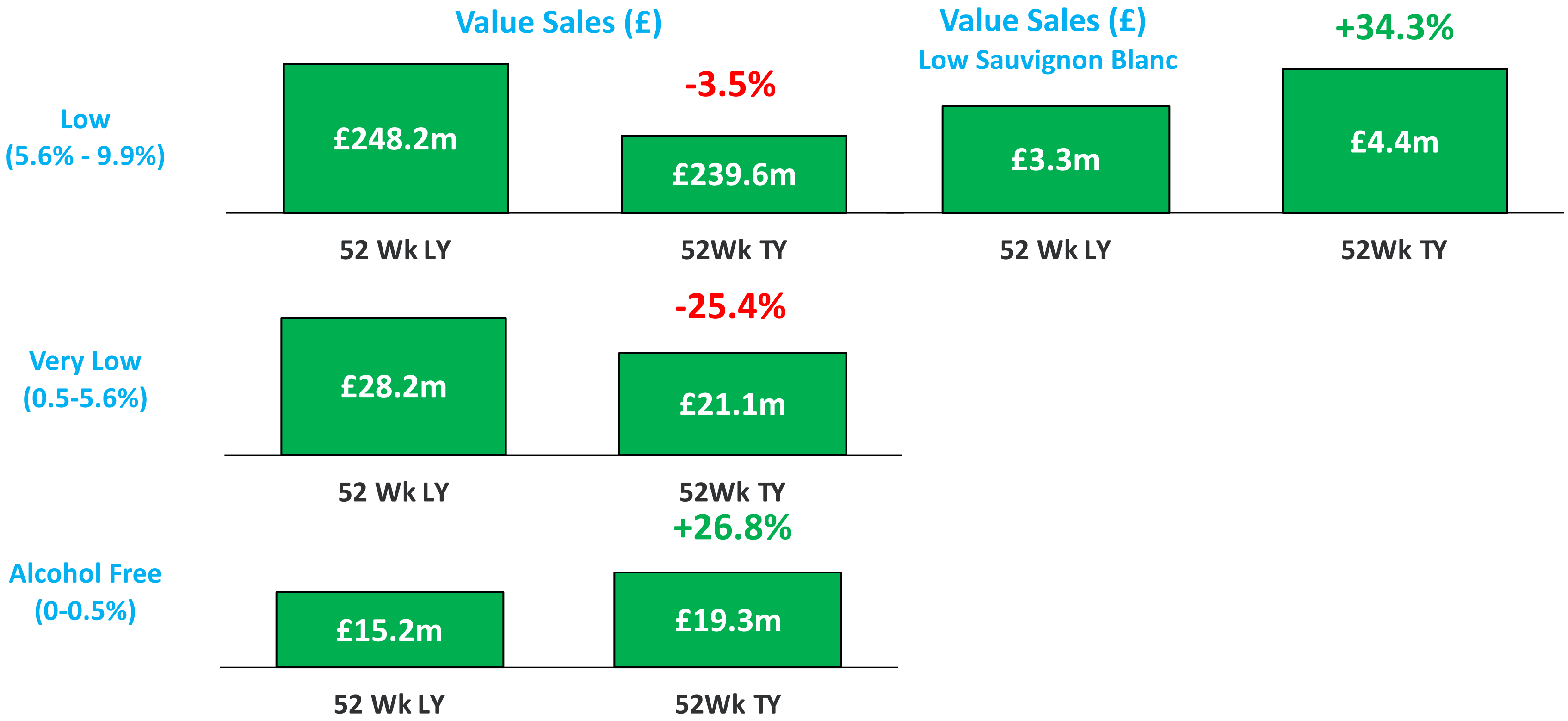
IRI Infoscan, 52 w/e 25th May 2019

Alcohol Free (5.2% category share) is the only segment seeing growth within total low alcohol (4.5% share of total wine including Fruit Fusions). Very Low (9.7% category share) declined -25.4% in value and Low alcohol (85.1% category share) declined -3.5%

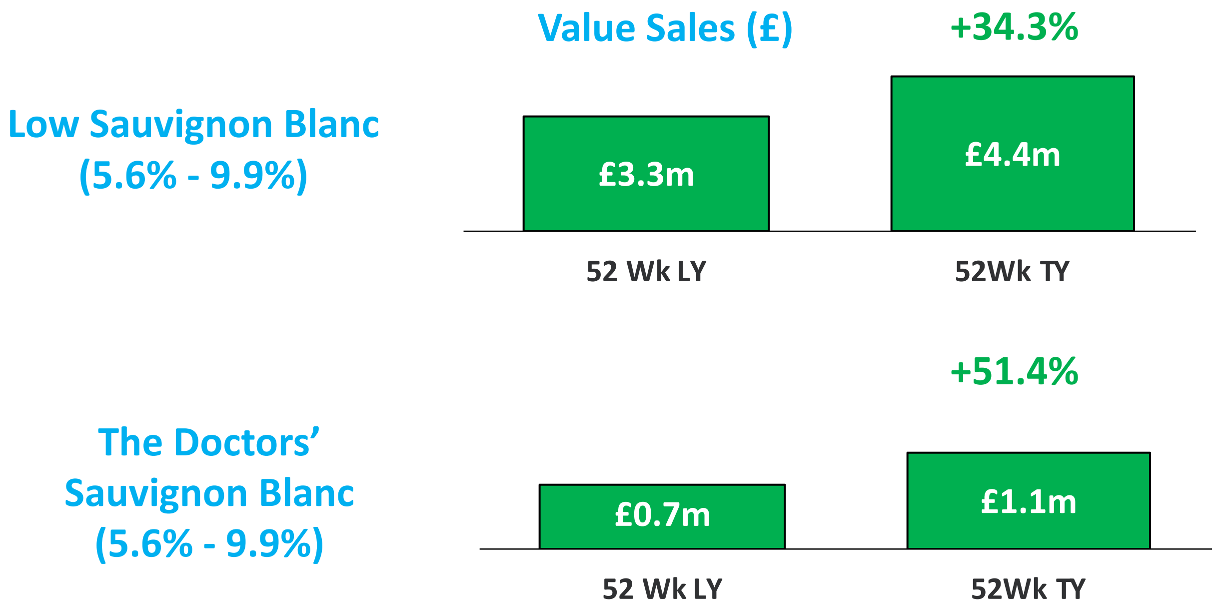


IRI Infoscan, 52 w/e 25th May 2019

Alcohol Free (5.2% category share) was the only segment seeing growth within total low alcohol. Very Low (9.7% category share) declined -25.4% and Low alcohol (85.1% category share) declined -3.5%. However, Low Sauvignon Blanc grew strongly +34.3% in value.



Low Sauvignon Blanc grew +34.3% in value sales off a small base (2% category share) The Doctors' Sauvignon Blanc outperformed with value growth +51.4% achieving a 24.6% value share of total Low Sauvignon Blanc wine sales



IRI Infoscan, 52 w/e 25th May 2019

Total Wine declined -0.4% driven in particular by Sparkling -2.9% (15.9% share). Still wine (84.1% share) grew marginally +0.1% whilst Low Alcohol (4.5% share) declined -4.0%

BWS – Wine Sales	12wk to 25/05/19			52wk to 25/05/19		
	Value Sales (Millions)	% Growth vs. YA	% Share of Total Wine	Value Sales (Millions)	% Growth vs. YA	% Share of Total Wine
Total Wine	£1,417	-1.7%	100%	£6,266	-0.4%	100%
Total Still	£1,218	-1.1%	85.9%	£5,270	+0.1%	84.1%
Total Sparkling	£200	-5%	14.1%	£996	-2.9%	15.9%
Total Low Alcohol	£61	-9%	4.3%	£279	-4%	4.5%

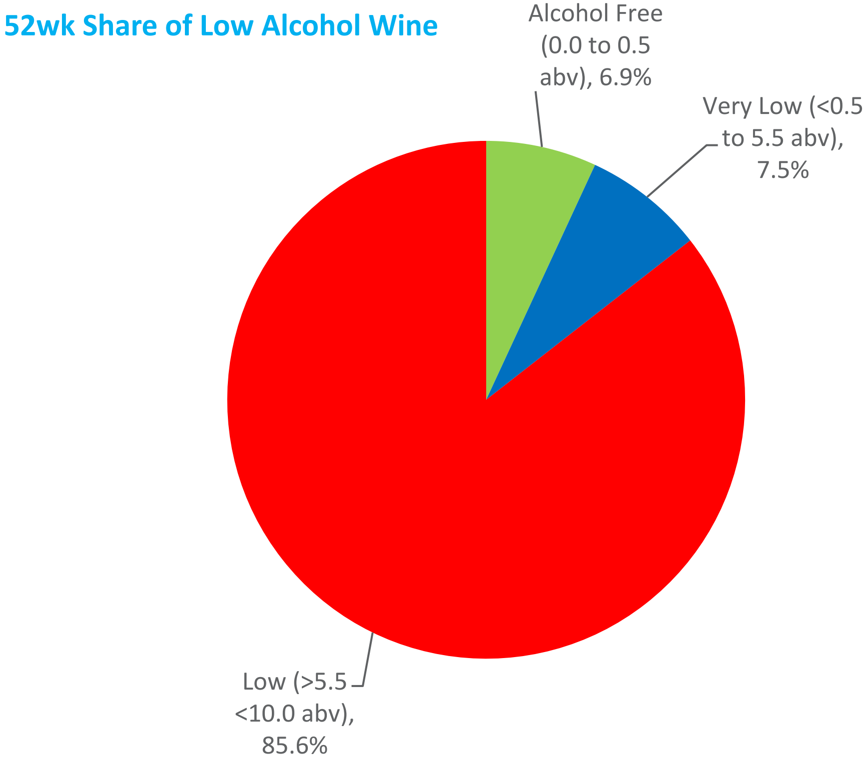
IRI Infoscan, 52 w/e 25th May 2019

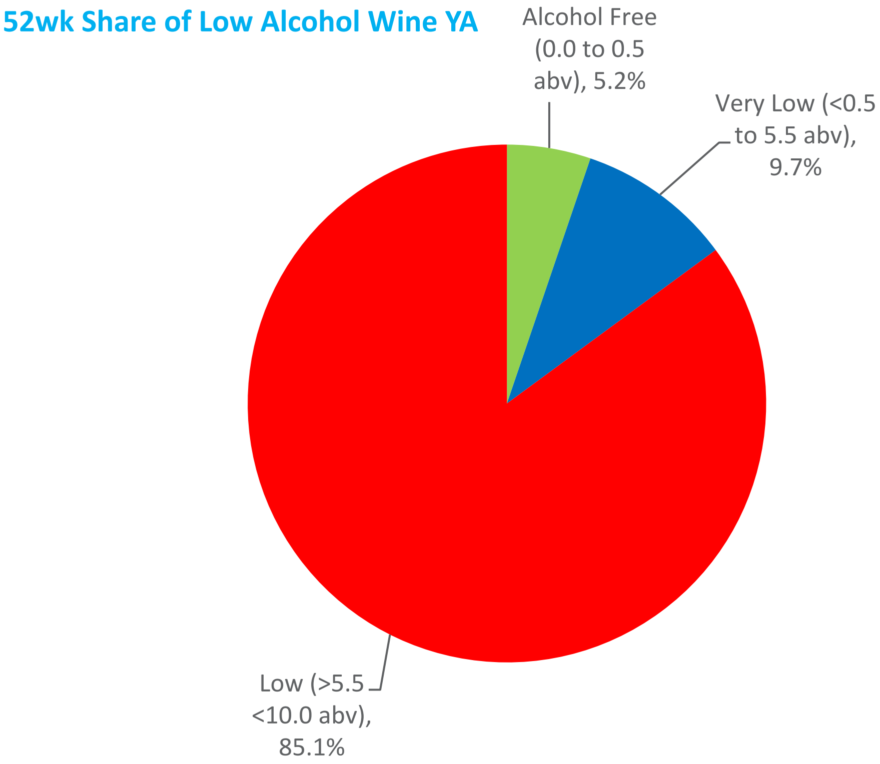
Low Alcohol category declined mainly owing to poor performing 0.5% to 5.5% wines (-22.4% Still and -29.9% Sparkling). Low Alcohol (5.5% to 10%) Still wine declined -2.5% slightly behind a flat Full Strength wine market (+0.2%). Strong Alcohol Free growth (+23.6%) off a relatively small base (0.2% total wine)

Low Alcohol Still/Sparkling		12wk to 25/05/19			52wk to 25/05/19		
		Value Sales (m)	% Growth vs. YA	% Share of Wine	Value Sales (m)	% Growth vs. YA	% Share of Wine
Still Wine	Full Strength	£1,64	-0.8%	82.1%	£5,028	+0.2%	80.2%
	Low Alcohol	£48.2	-8.1%	3.4%	£215	-2.5%	3.4%
	Very Low Alcohol	£2.7	-24.8%	0.2%	£13.2	-22.4%	0.2%
	Alcohol Free	£3.1	+21.6%	0.2%	£13.3	+23.6%	0.2%
Sparkling Wine	Full Strength	£193	-4.5%	13.6%	£958	-2.5%	15.3%
	Low Alcohol	£4.2	-12.6%	0.3%	£24.2	-11.7%	0.4%
	Very Low Alcohol	£1.1	-53.3%	0.1%	£7.9	-29.9%	0.1%
	Alcohol Free	£1.3	+18%	0.1%	£6	+34.6%	0.1%

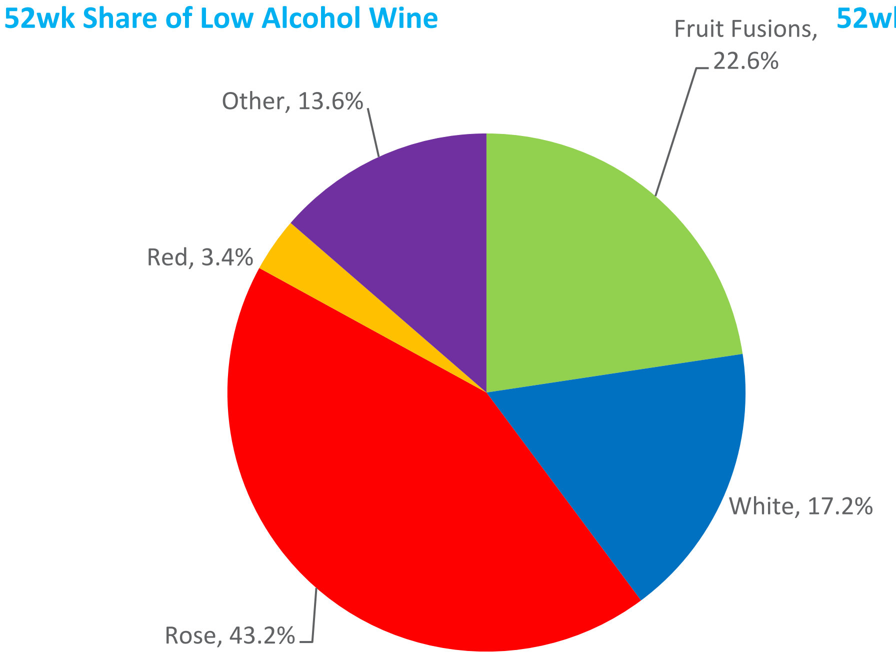
IRI Infoscan, 52 w/e 27th April 2019

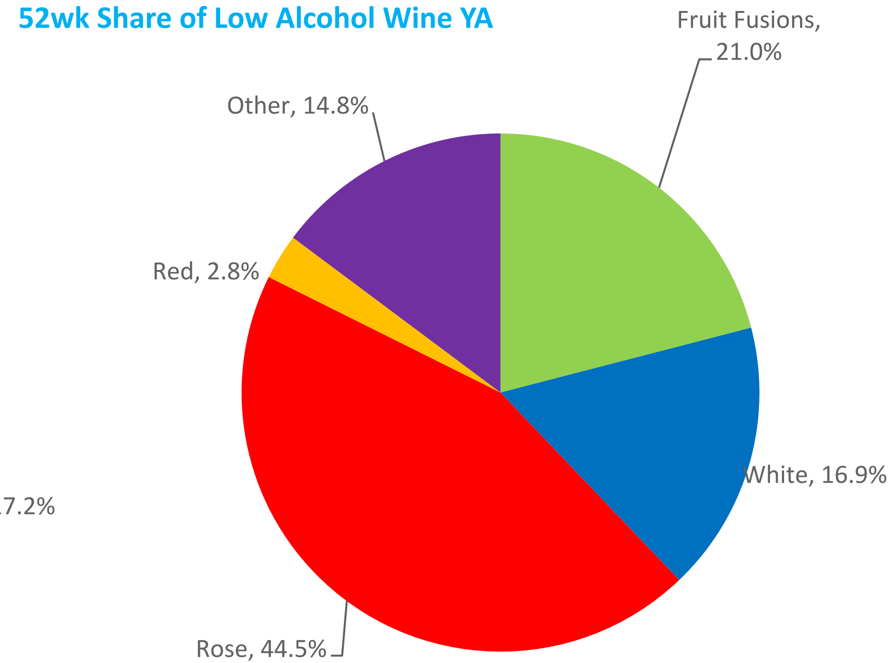
Alcohol Free grew MAT value share +1.7% pts to 6.9% category share of Low Alcohol taking value share mainly from Very Low (-2.2% pts)





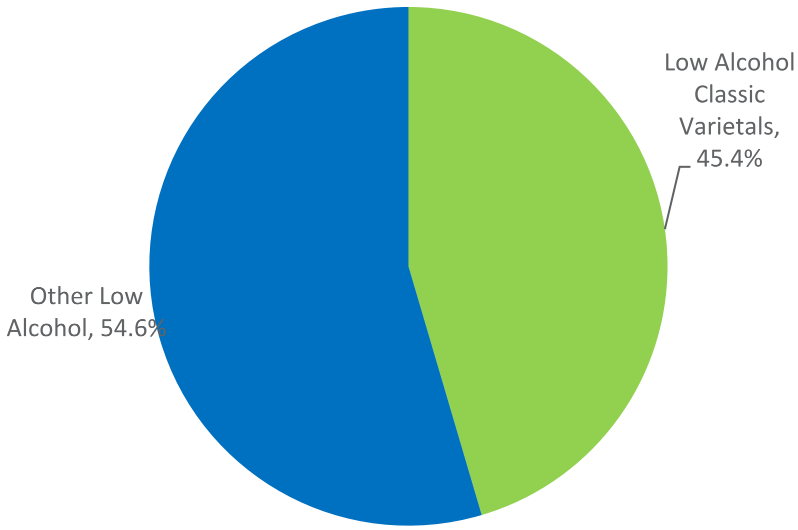
Low Alcohol wine dominated by Rose (43%) and Fruit Fusions (23%)
Category share gains to Fusions (+1.6% pts), Red (+0.6%) and White (+0.3%)



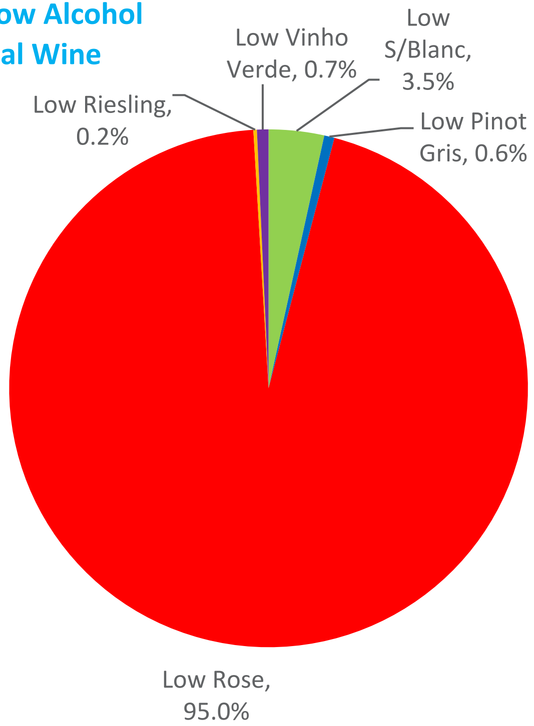


Low Alcohol Classic varietals account for 45% Total Low Alcohol category sales
Low Classics dominated by Rose (95% share) followed by Sauvignon Blanc (4% share)

52wk Share of Low Alcohol Wine

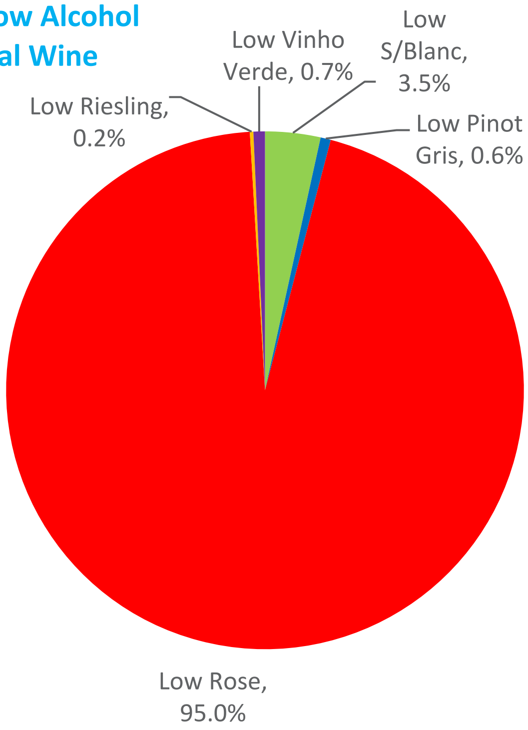


52wk Share of Low Alcohol Classic Varietal Wine

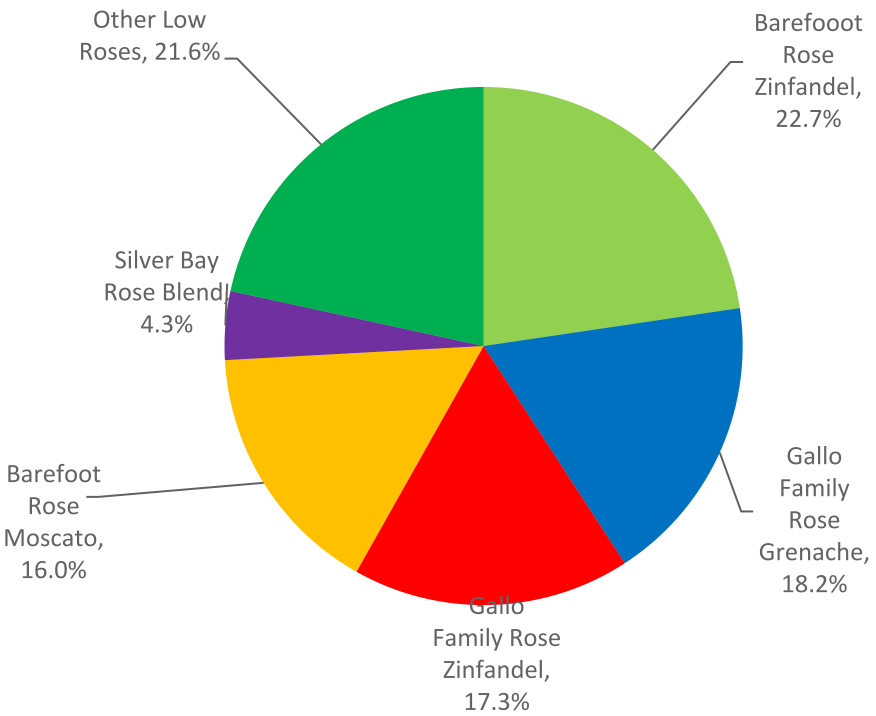


Low Rose is dominated by Gallo Family Vineyards and Barefoot. Top 5 SKU's (out 67 SKU's) account for 78% Total Low Rose sales = "a very long tail"

52wk Share of Low Alcohol Classic Varietal Wine

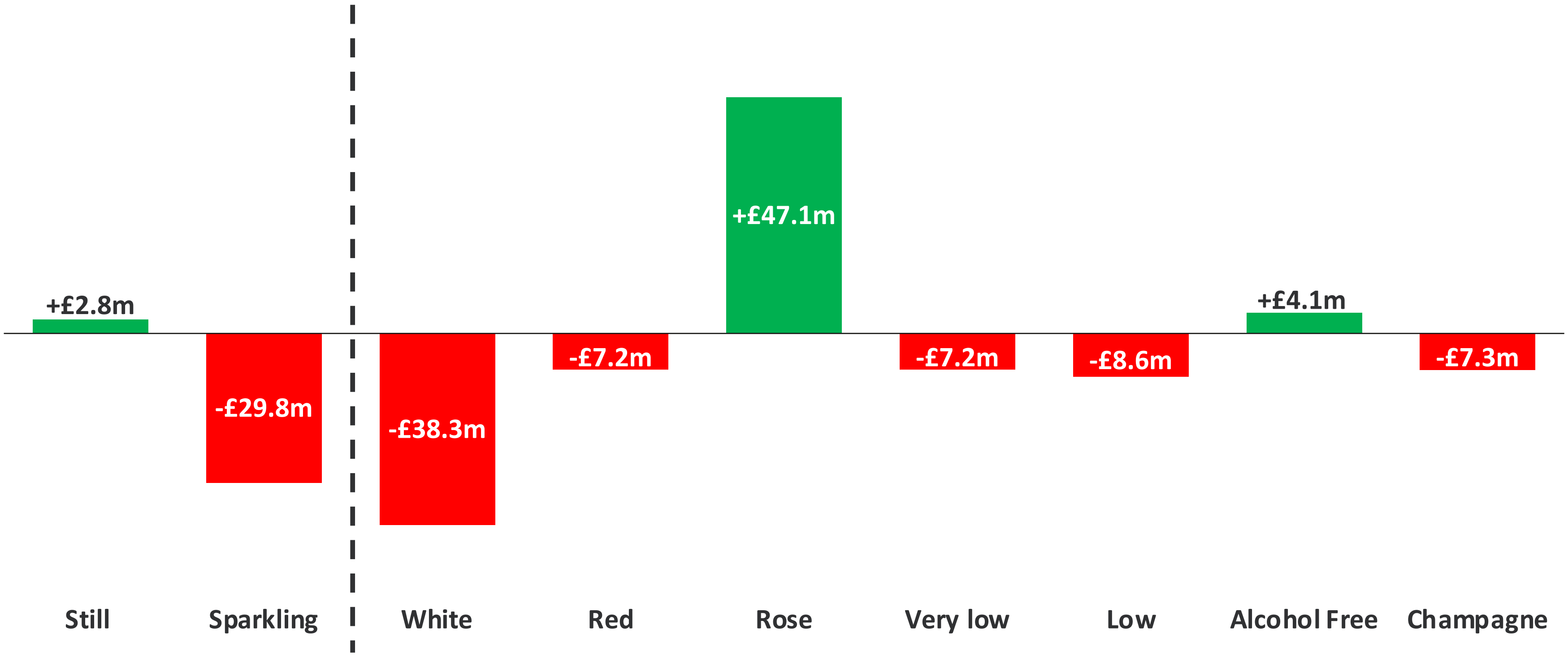


52wk Share of Low Alcohol Rose Wine



Still wine growth (+ £ 2.8m) did not make up for Sparkling's decline (- £ 29.8m). Rose (+ £ 47.1) and Alcohol Free (+ £ 4.1m) performing well but not enough to make up for the declines in White (- £38.3m), Champagne (- £7.3m), Low (-£ 8.6m), Red (- £7.2m), and Very Low (- £7.2m)

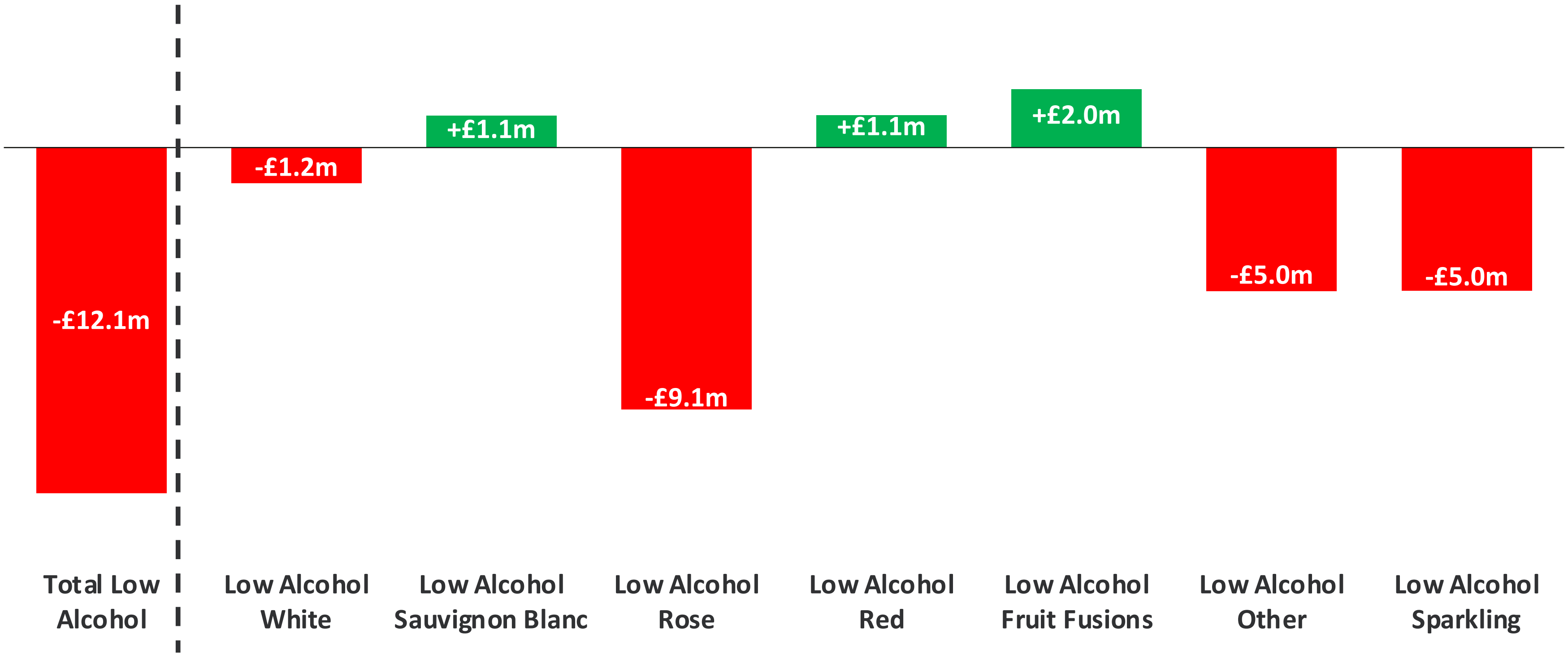
Total Wine & Subcategory Value Sales Growth (£) vs YA



IRI Infoscan, 52 w/e 25th May 2019

Decline in Total Low Alcohol mainly driven by LA Rose (-£9.2m), Sparkling (-£5.0m) and LA White (-£1.2m) Strong growth in LA Fruit Fusions (+£2.0m), **LA Sauvignon Blanc (+£1.1m)**, and LA Red (+£1.1m),

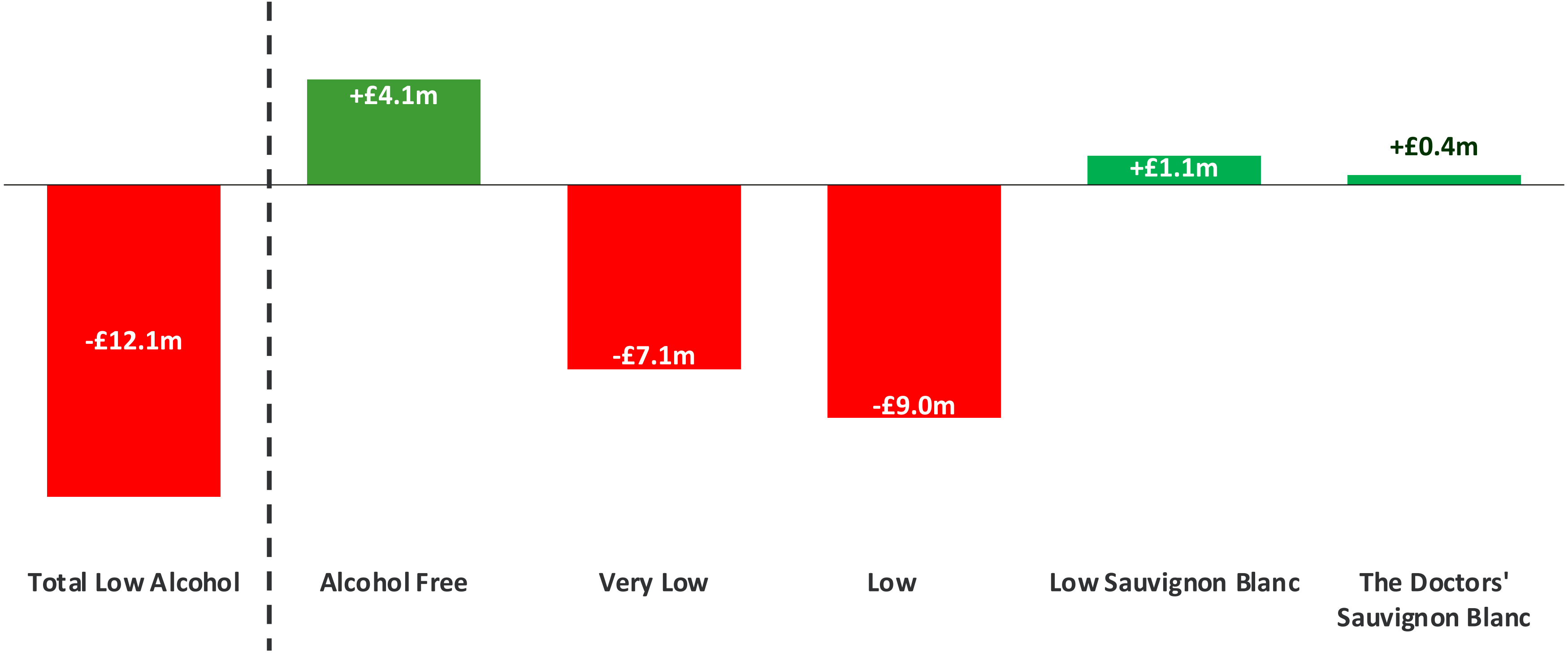
Total Low Alcohol Wine & Subcategory Value Sales Growth (£) vs YA



IRI Infoscan, 52 w/e 25th May 2019

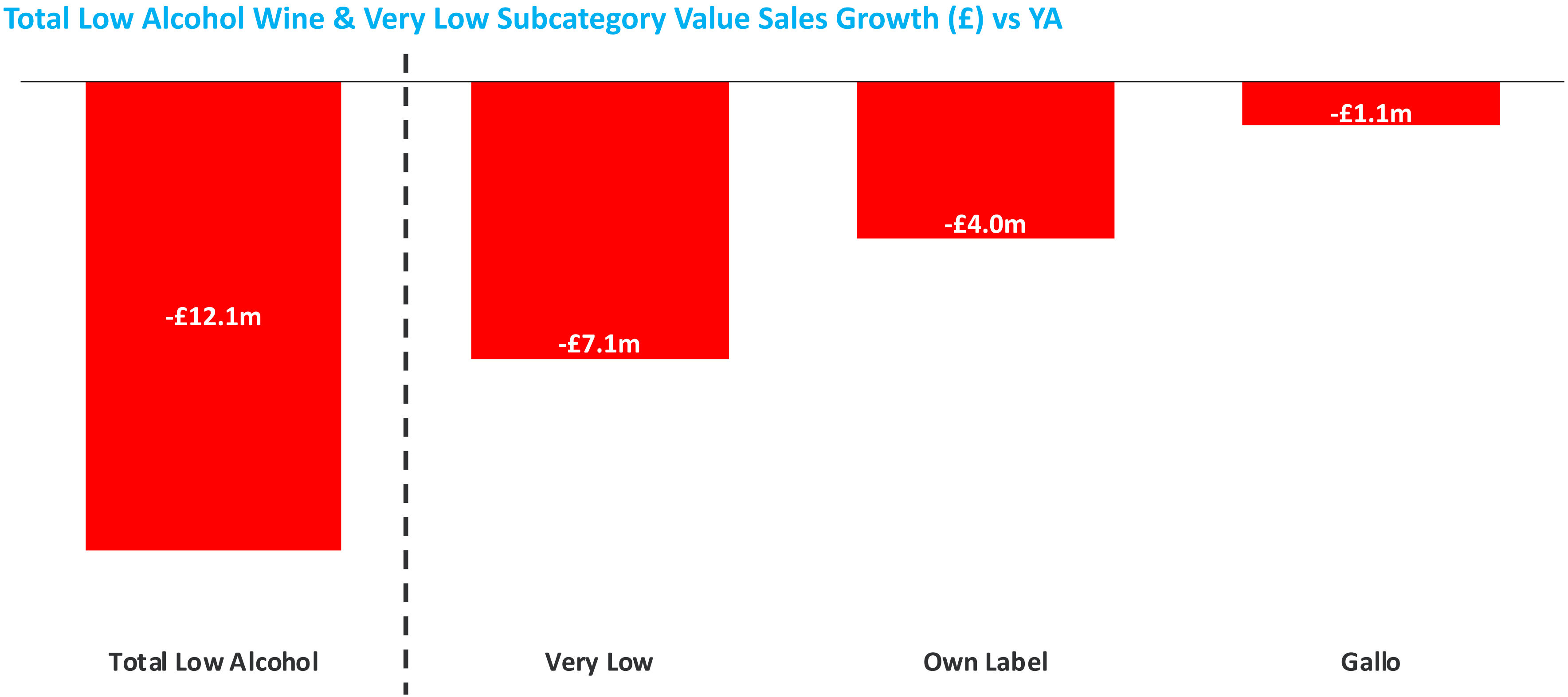
Within Low Alcohol Wine (-£12.1m) the growth of Alcohol Free (+ £ 4.1m) and **Low Sauvignon Blanc (+£1.1m)** was not enough to offset declines in Low (-£9.0m) and Very Low (-£7.1m). **The Doctors' SB accounted for one third of the growth in Low Sauvignon Blanc**

Total Low Alcohol Wine & Subcategory Value Sales Growth (£) vs YA



IRI Infoscan, 52 w/e 25th May 2019

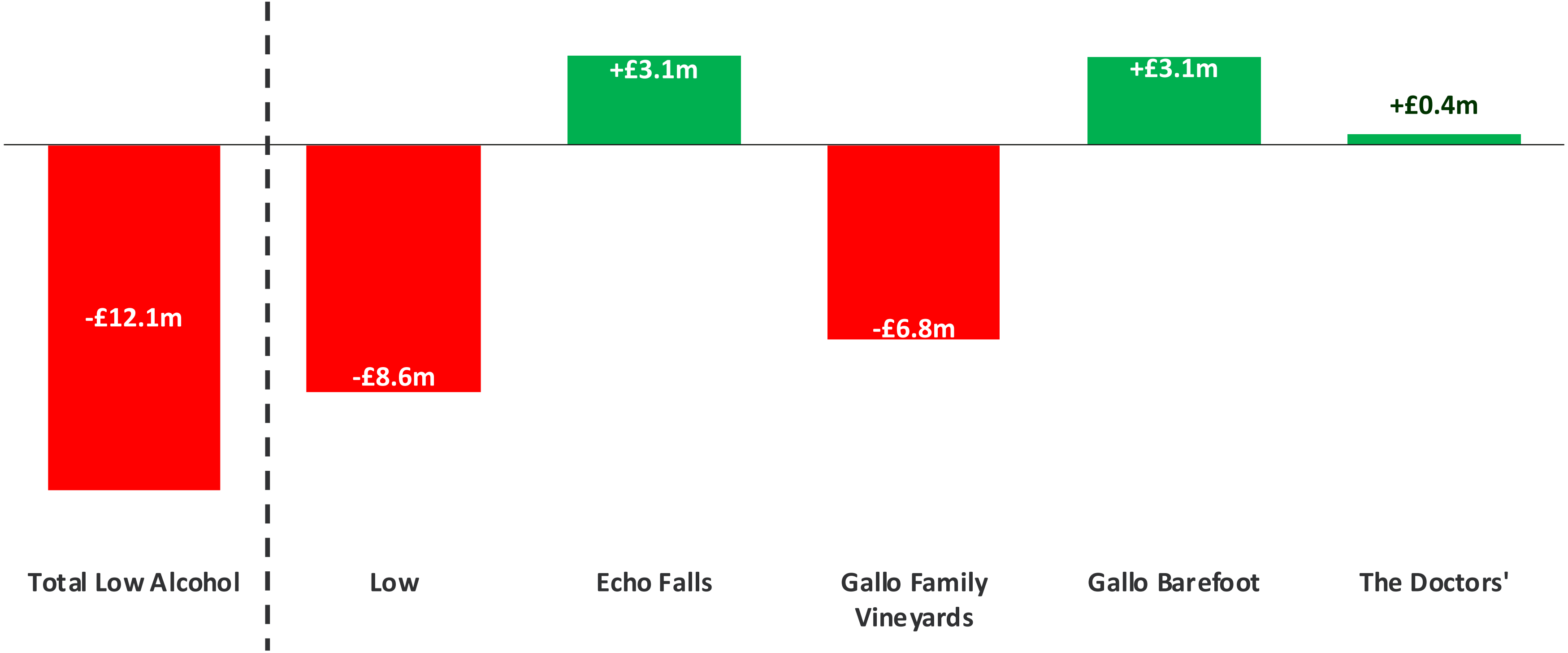
Within Very Low (-£7.1m) the biggest negative contribution came from Own Label (-£4.0m) and Gallo (-£1.1m)



IRI Infoscan, 52 w/e 25th May 2019

Within Low (-£8.6m) the biggest negative contribution came from Gallo Family Vineyards (-£6.8m) but in positive growth territory was Echo Falls (+£3.1m) , Gallo Barefoot (+£3.1m) and **The Doctors' (+£0.4m)**

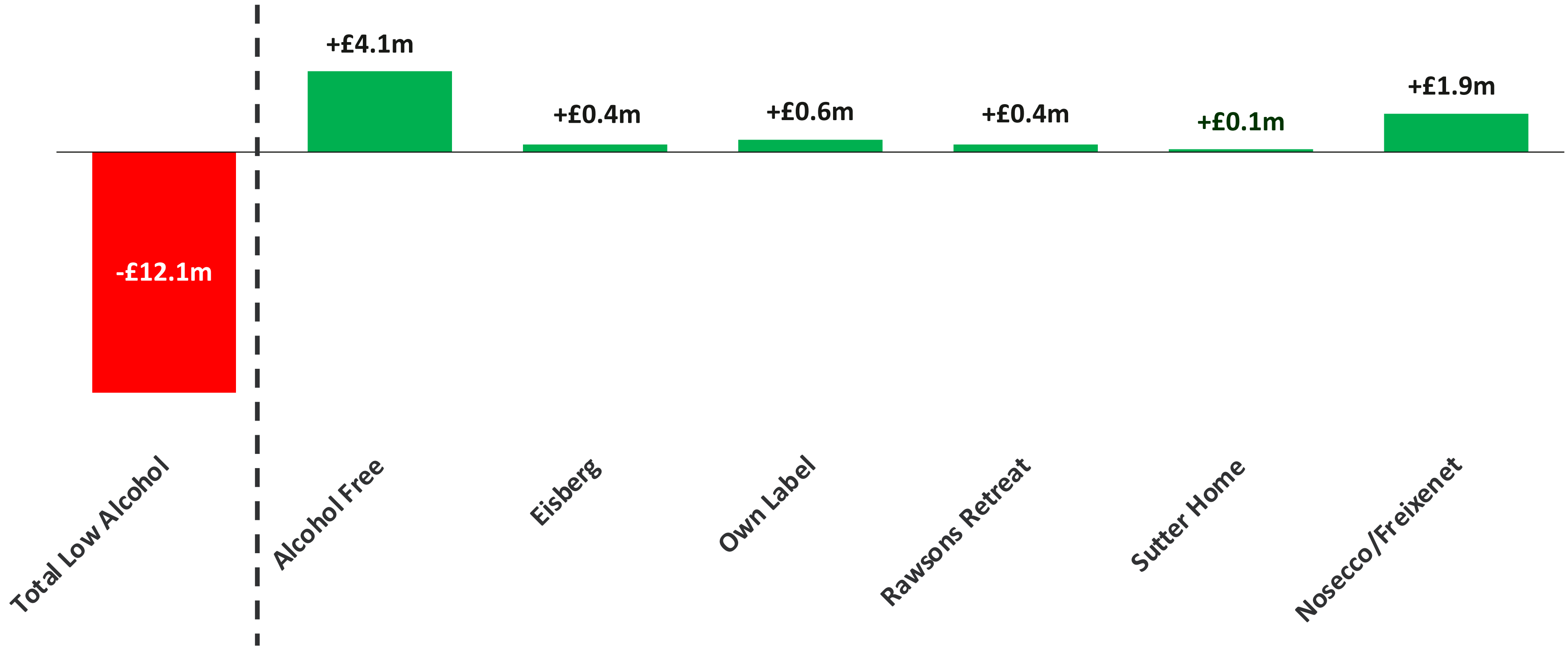
Total Low Alcohol Wine & Low Subcategory Value Sales Growth (£) vs YA



IRI Infoscan, 52 w/e 25th May 2019

Within Alcohol Free wine (+£4.1m) the strongest growth contribution came from NPD Nosecco and Freixenet (+£1.9m) followed by Own Label (+£0.6m), Eisberg (+£0.4m) and Rawsons Retreat (+£0.4m)

Total Low Alcohol Wine & Alcohol Free Subcategory Value Sales Growth (£) vs YA



IRI Infoscan, 52 w/e 25th May 2019

Within Low Alcohol Classical Varietals (45% share of Total Low Alcohol) **strongest growth contribution came from Low Sauvignon Blanc (+£1.1m)** followed by Low Riesling(+£0.2m). However, not sufficient to offset Low Rose (-£9.1m), Low Vinho Verde (-£0.3m) and Low Pinot Gris (-£0.1m)

Total Low Alcohol Wine & Low Alcohol Varietal Subcategory Value Sales Growth (£) vs YA

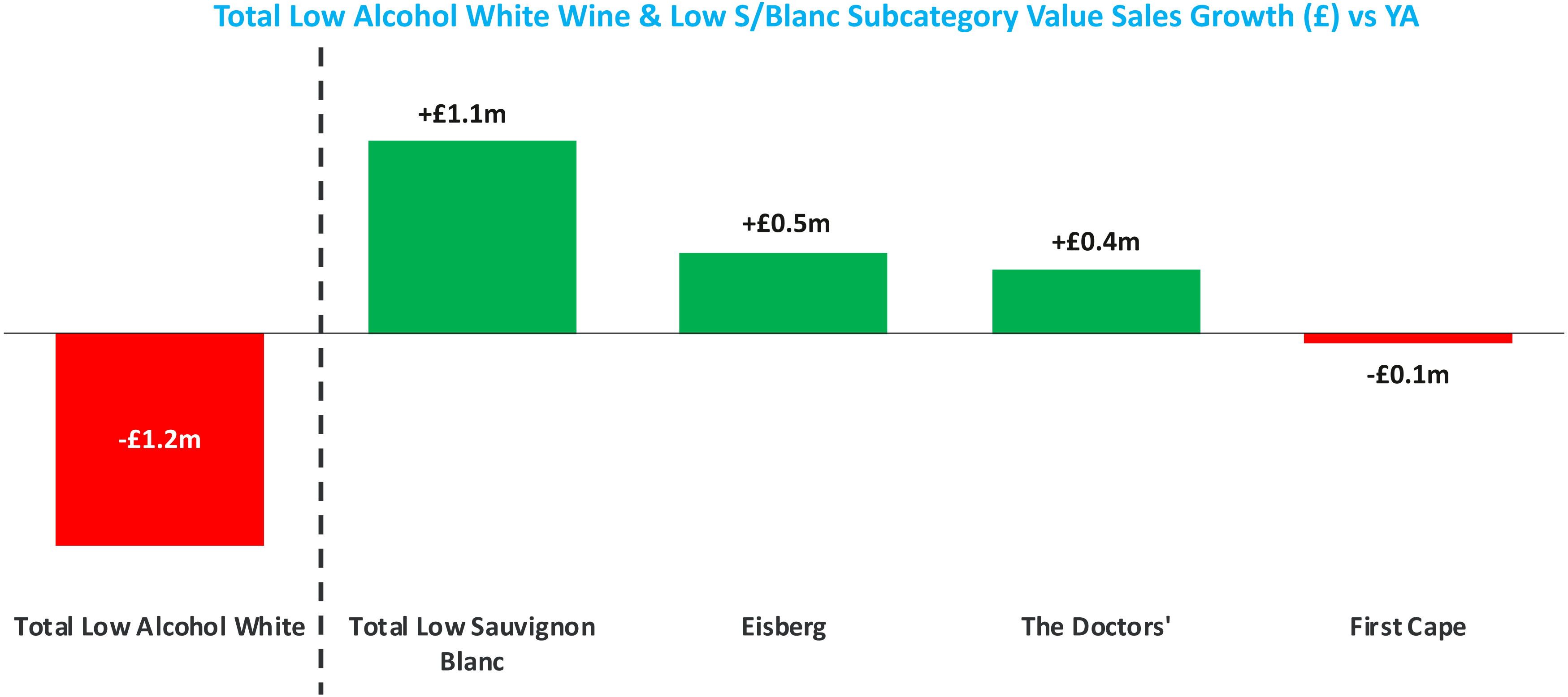
IRI Infoscan, 52 w/e 25th May 2019

Within Total Low Rose (-£9.1m) all key segments declined. Grenache Rose (-£3.4m) followed by Rose Blends (-£2.8m), Rose Moscato (-£2.1m) and Zinfandel Rose (-£1.6m)

Total Low Alcohol Wine & Low Rose Subcategory Value Sales Growth (£) vs YA

IRI Infoscan, 52 w/e 25th May 2019

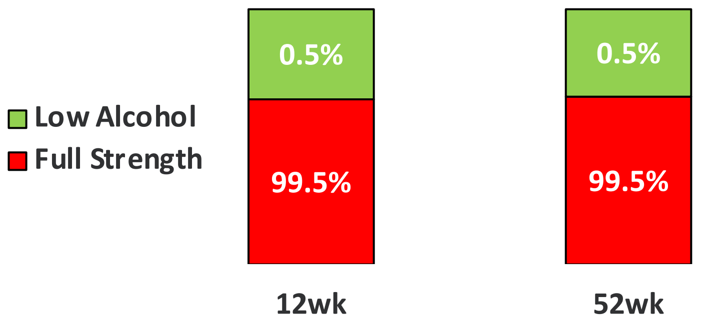
Within Low Alcohol White wine (-£1.2m) **Low Sauvignon Blanc showing strong growth** (+£1.1m) driven by Eisberg Alcohol Free and The Doctors' (9.5% abv) with First Cape in decline (-£0.1m)



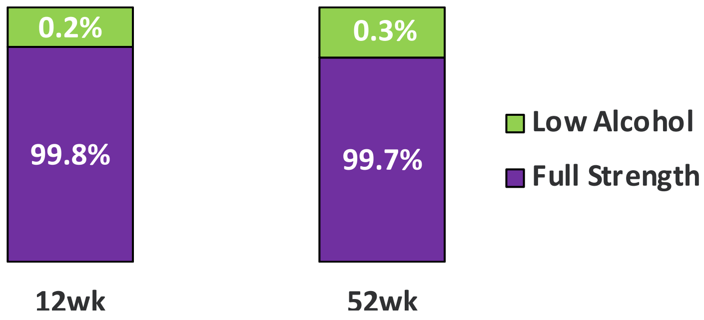
IRI Infoscan, 52 w/e 25th May 2019

Low Alcohol Rose had the largest share (22.8%) of key variants, followed by Riesling (5.2%).
Low Sauvignon Blanc at 0.5% share is very under-developed versus New Zealand (7.0%)
A 7% value share of Sauvignon Blanc is equivalent to **£ 55 million in sales = opportunity gap**

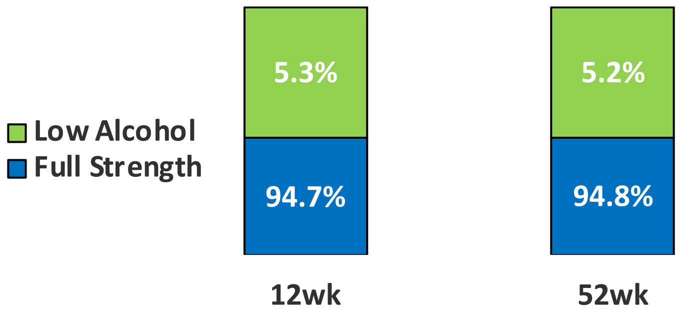
Still Sauv Blanc



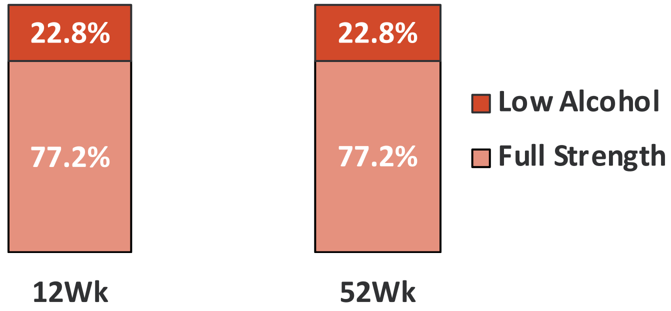
Still Pinot Gris



Still Riesling



Still Rose



IRI Infoscan, 52 w/e 25th May 2019

Low alcohol Sauvignon Blanc experienced **strong growth +34.3%** vs FS +6.5%

Still Sauv Blanc

Total Still Sauv Blanc	12wk to 25/05/19		52wk to 25/05/19	
	Value Sales	Growth	Value Sales	Growth
Low Alcohol Still	£1,075,294	+41.8%	£4,382,909	+34.3%
Full Strength Still	£191,151,829	+2.9%	£837,175,454	+6.5%

Still Pinot Gris

Total Still Pinot Grigio	12wk to 25/05/19		52wk to 25/05/19	
	Value Sales	Growth	Value Sales	Growth
Low Alcohol Still	£160,904	+1.8%	£810,227	-9.7%
Full Strength Still	£66,715,074	+29.3%	£265,942,300	+27.6%

Still Riesling

Total Still Riesling	12wk to 25/05/19		52wk to 25/05/19	
	Value Sales	Growth	Value Sales	Growth
Low Alcohol Still	£69,829	+93.3%	£277,399	+173.5%
Full Strength Still	£1,279,718	+20.1%	£5,099,952	+8.4%

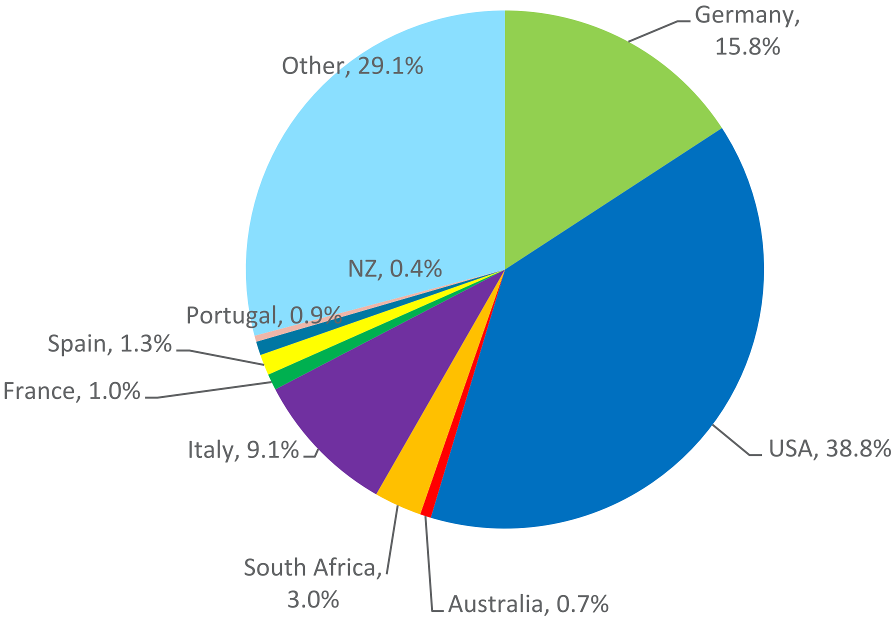
Still Rose

Total Still Rose	12wk to 25/05/19		52wk to 25/05/19	
	Value Sales	Growth	Value Sales	Growth
Low Alcohol Still	£27,018,181	-11.5%	£121,099,097	-6.6%
Full Strength Still	£91,274,224	-4.1%	£411,081,403	+0.4%

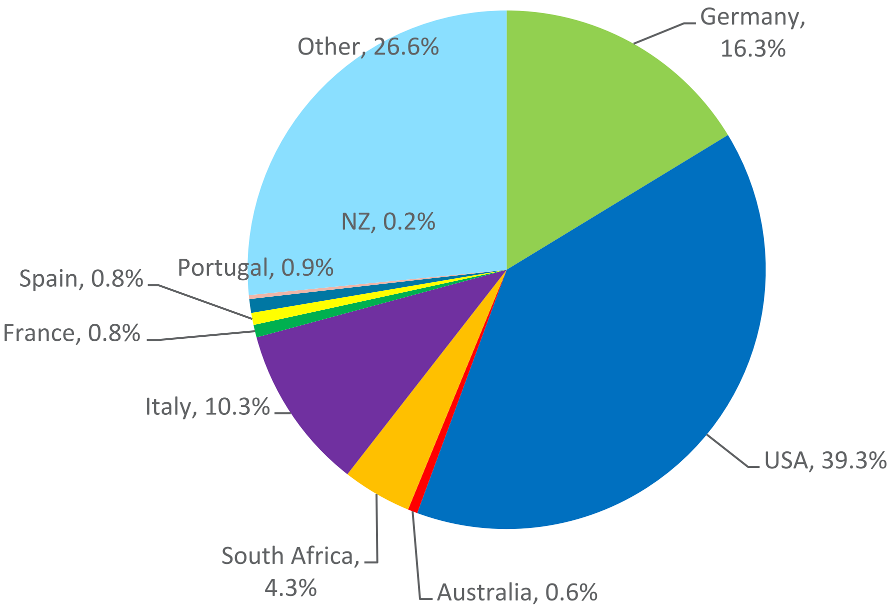
IRI Infoscan, 52 w/e 25th May 2019

Low Alcohol wine dominated by USA (39%), Germany (16%) and Italy (9%) but all lost value share. Category share gains to Others (+2.6% pts), Spain (+0.5%), France (+0.2%), New Zealand (+0.2%) and Australia (+0.1%).

52wk Share of Low Alcohol Wine

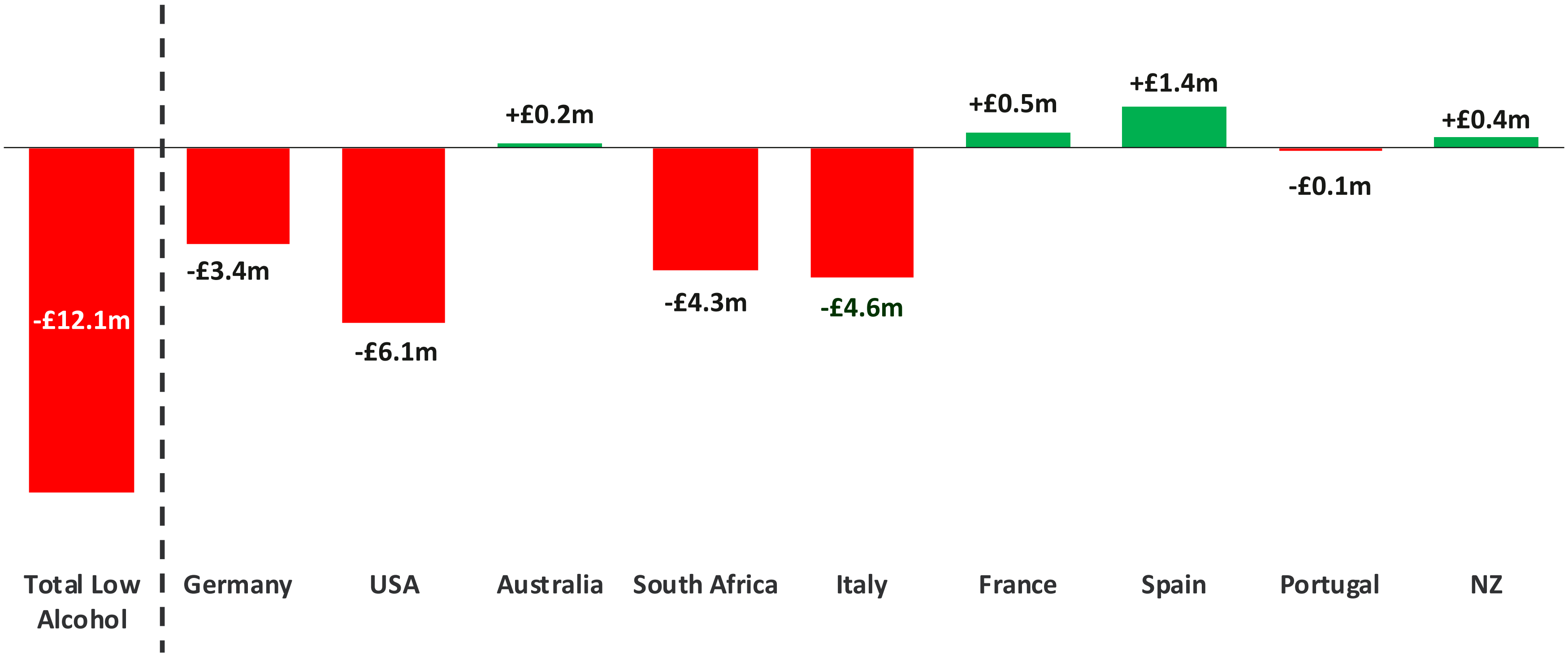


52wk Share of Low Alcohol Wine YA



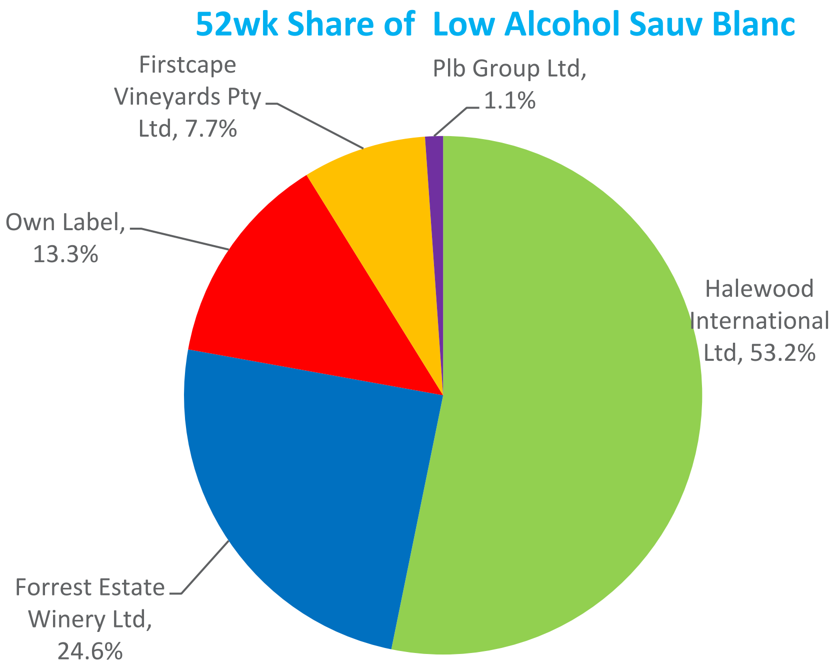
Within Low Alcohol wine the strongest growth contributions came from Spain (+£1.4m) followed by France (+£0.5m), and New Zealand (+£0.4m). Significant declines came from USA, Italy, South Africa and Germany.

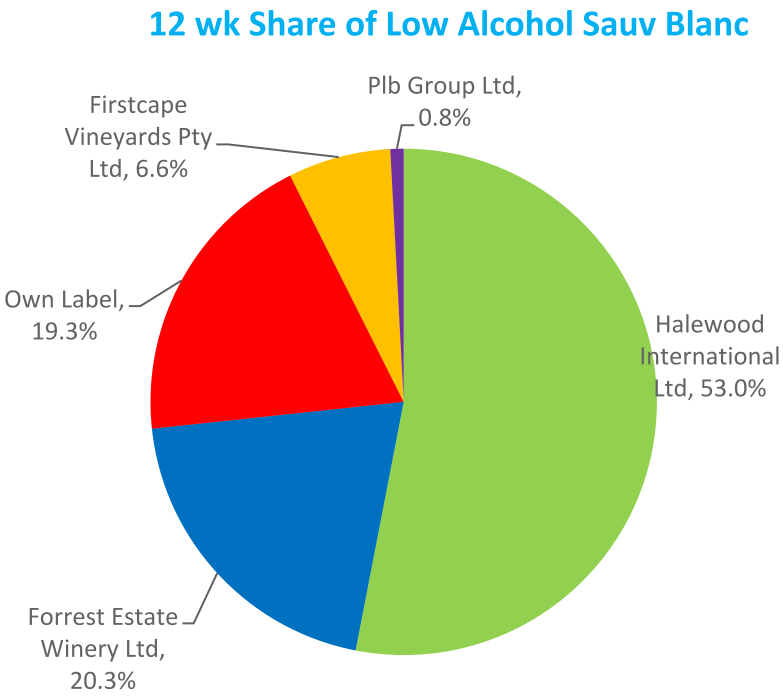
Total Low Alcohol Wine & Alcohol Free Subcategory Value Sales Growth (£) vs YA



IRI Infoscan, 52 w/e 25th May 2019

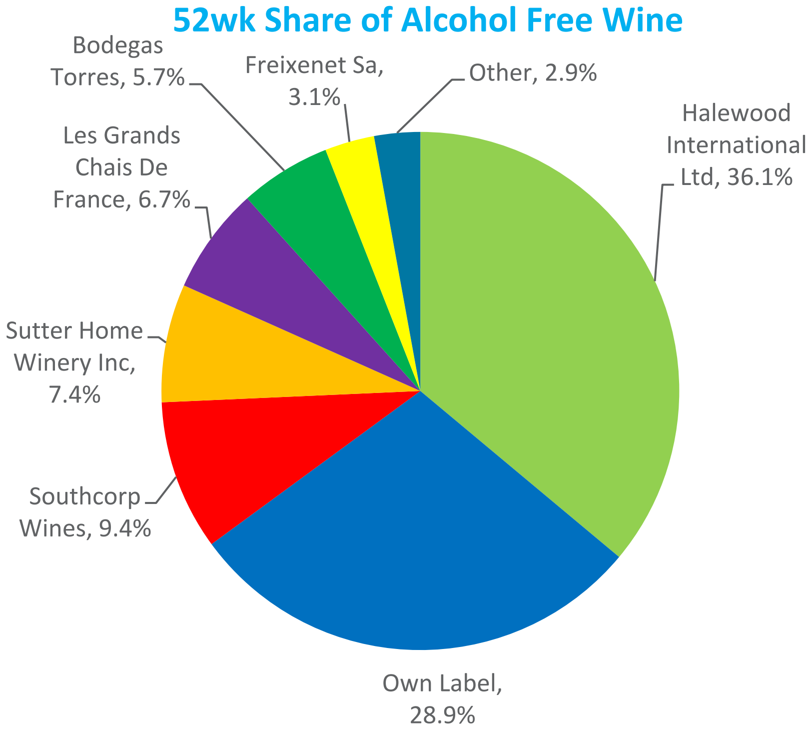
Low Alcohol Sauvignon Blanc (+34.3% value growth vs YA) dominated by Hale International (Eisberg) with 53.2% share (+25.1% value vs YA), followed by Forrest Estate **The Doctors' with 24.6% share** (+51.4% value vs YA), up **+4.3% pts** versus YA.

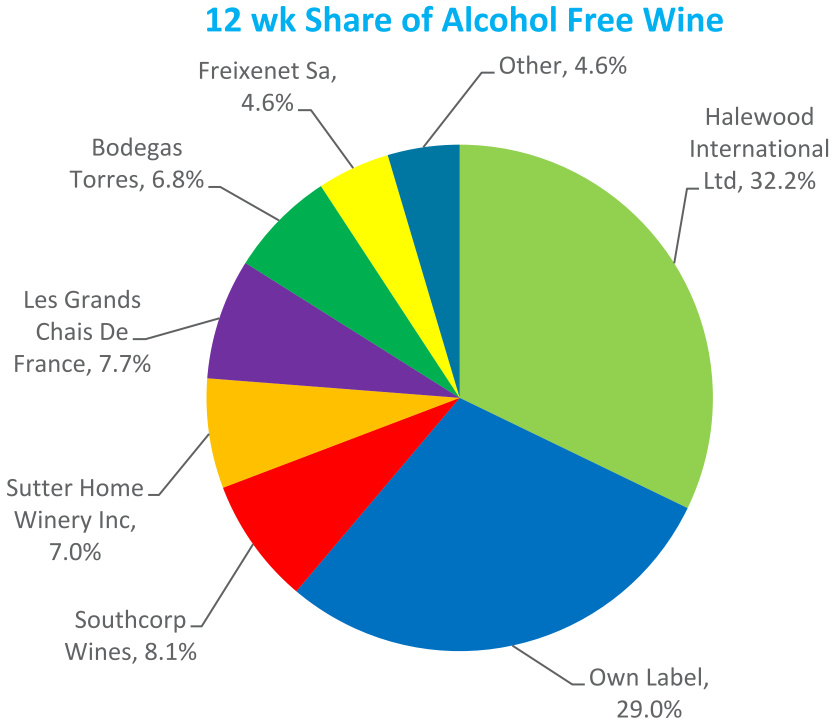




IRI Infoscan, 52 w/e 25th May 2019

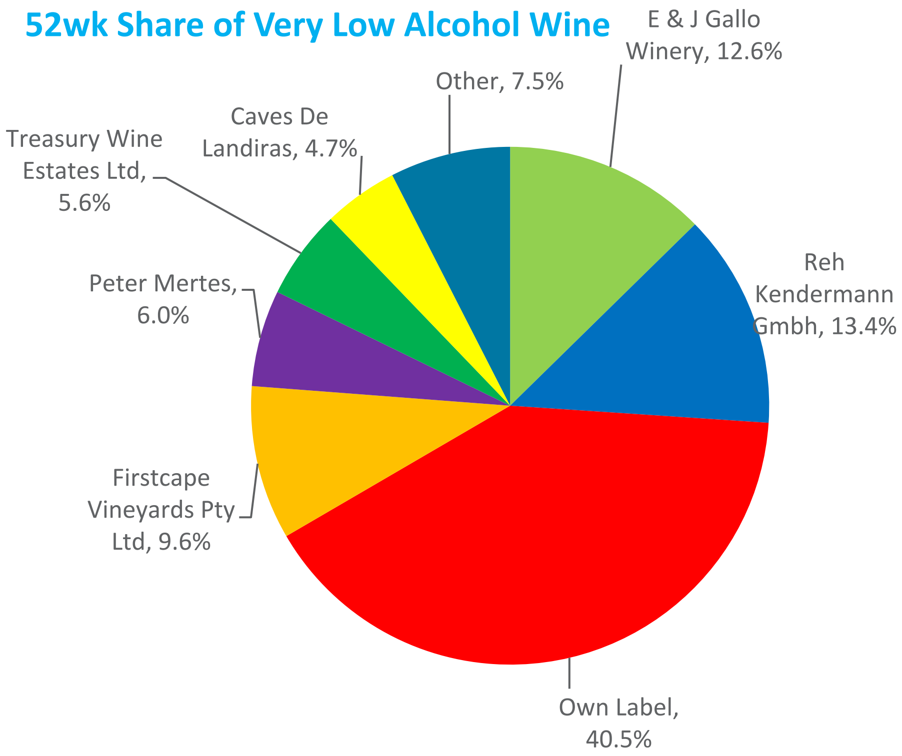
Alcohol Free Wine dominated by Halewood (Eisberg), followed by Own Label with 29% share, and Southcorp (Rawsons Retreat) with 9% share. The #1 SKU Eisberg SB grew +25% versus YA.

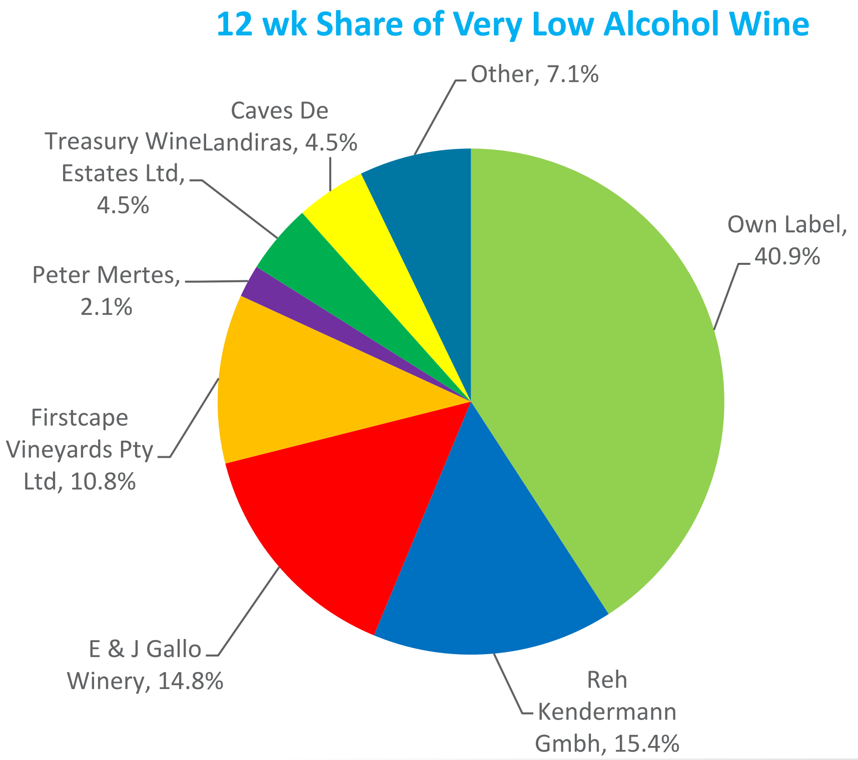




IRI Infoscan, 52 w/e 25th May 2019

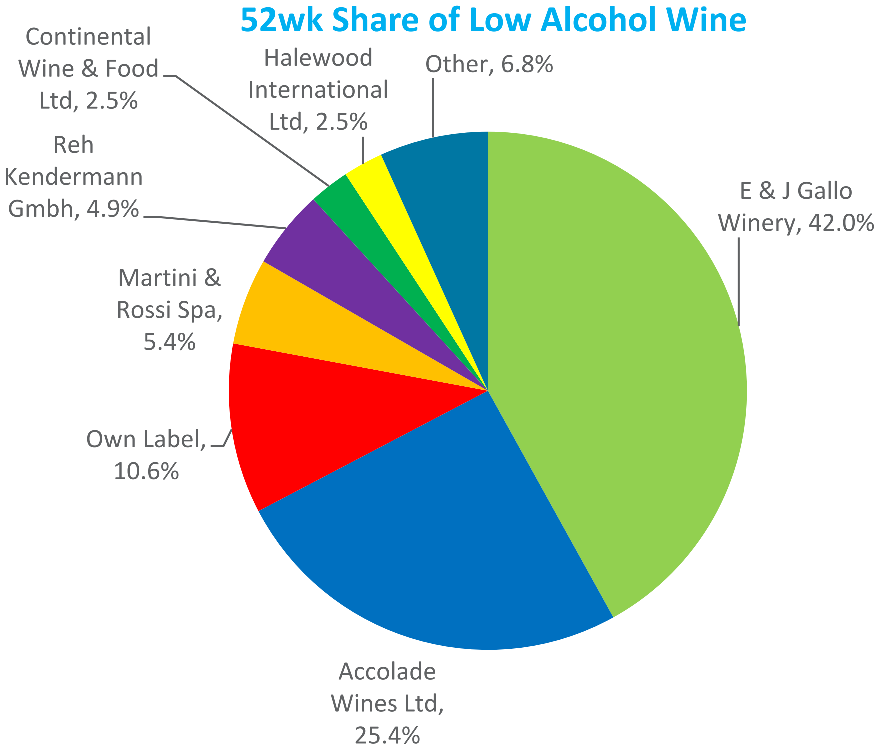
Very Low Alcohol wine dominated by Own Label (top 3 SKU's Riesling and Moscato) with 40.5% share of followed by Reh Kendermann with 13.4% (top 3 SKU's Black Tower Rose and White Blend), Gallo with 12.6% (top 3 SKU's Barefoot and Gallo Family Vineyard Rose Blend) and First Cape 9.6% (top 3 SKU's Rose, PG and SB)

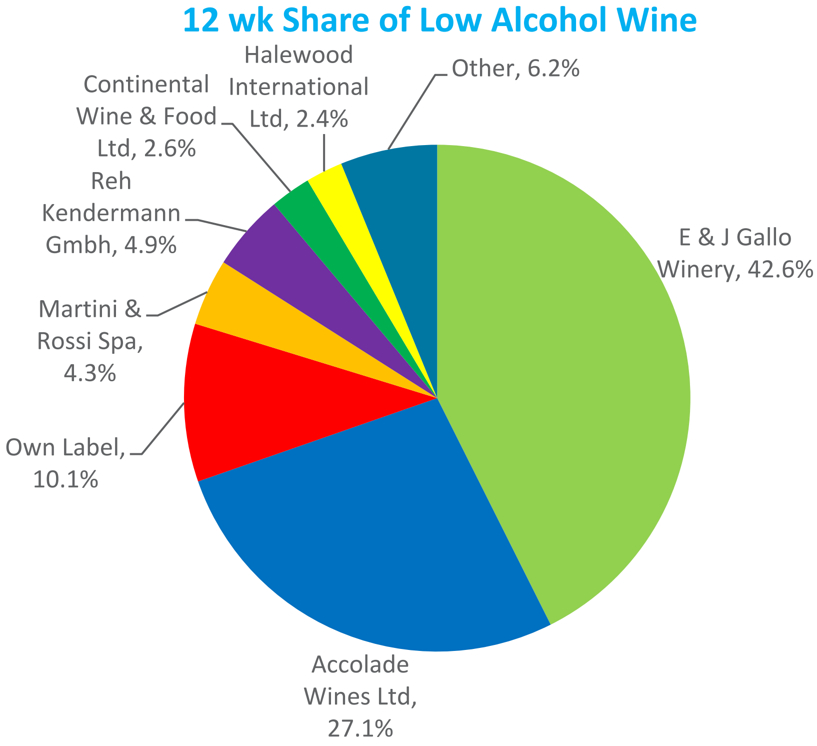




IRI Infoscan, 52 w/e 25th May 2019

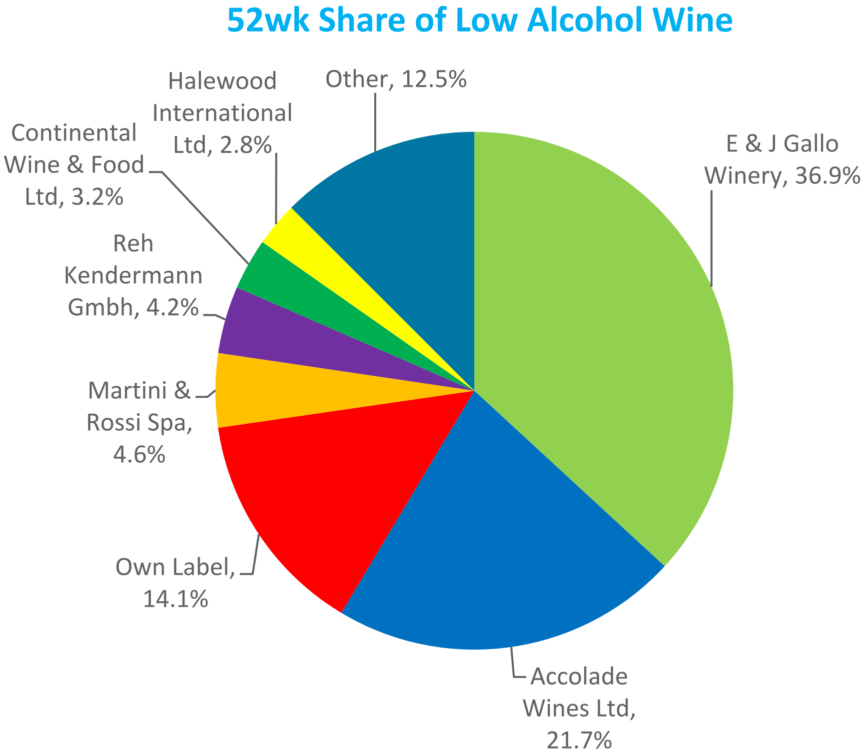
Low Alcohol Wine dominated by E&J Gallo with 42% share (evenly split between "Family Vineyards" Rose and Moscato, and "Barefoot" Rose and Moscato) and Accolade Wines (almost all Echo Falls Fruit fusions) with 25.4% share in the latest year.

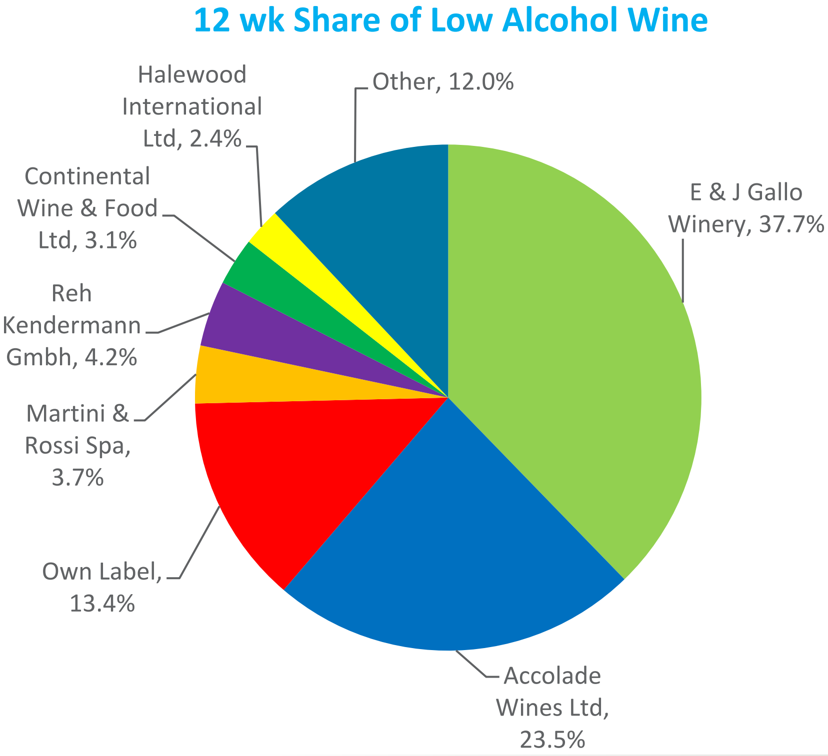




IRI Infoscan, 52 w/e 25th May 2019

For the Total Low Alcohol Wine category, Accolade (Echo Falls Fruit Fusions) and Gallo (Family Vineyards and Barefoot) remain the largest manufacturers with a combined value share of 59%





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THANK YOU!

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