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SOVOS ShipCompliant



WINES VINES ANALYTICS

Wine – DtC Shipments & Retail Off Premise

December 2020

WINE OFF PREMISE SALES MEASUREMENTS

An exclusive collaboration between Nielsen, Wines Vines Analytics, Sovos ShipCompliant



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**Retail Off Premise
Sales Reporting**
\$20 Billion/211MM cases*

**Direct to Consumer
Shipment Reporting**
\$3.7 Billion/8.4MM cases*

*through Dec 2020

AGGREGATE of...

- Food; Drug, Mass Merchants, Convenience, Dollar, Military Exchanges, Select Warehouse Clubs,
- Liquor channel (7 geographic markets, and 20+ key Liquor retail chains, incl Wine.com)

AGGREGATE of...

- online orders placed at Winery website
- winery wine club shipments to their members
- tasting room purchases shipped to consumers
- Does not include - Tasting room carry out ; Events carry out; Online retailers; Non winery aggregating wine clubs (e.g. WSJ, LA Times Clubs)

Reporting by...

- Price tiers; Key Varietals; Key Origins (& combos)
- States (where sold/where shipped)
- Winery size segment (DtC)

Monthly updates – with 5 yrs history

Commentary – December 2020

DtC Shipment Channel

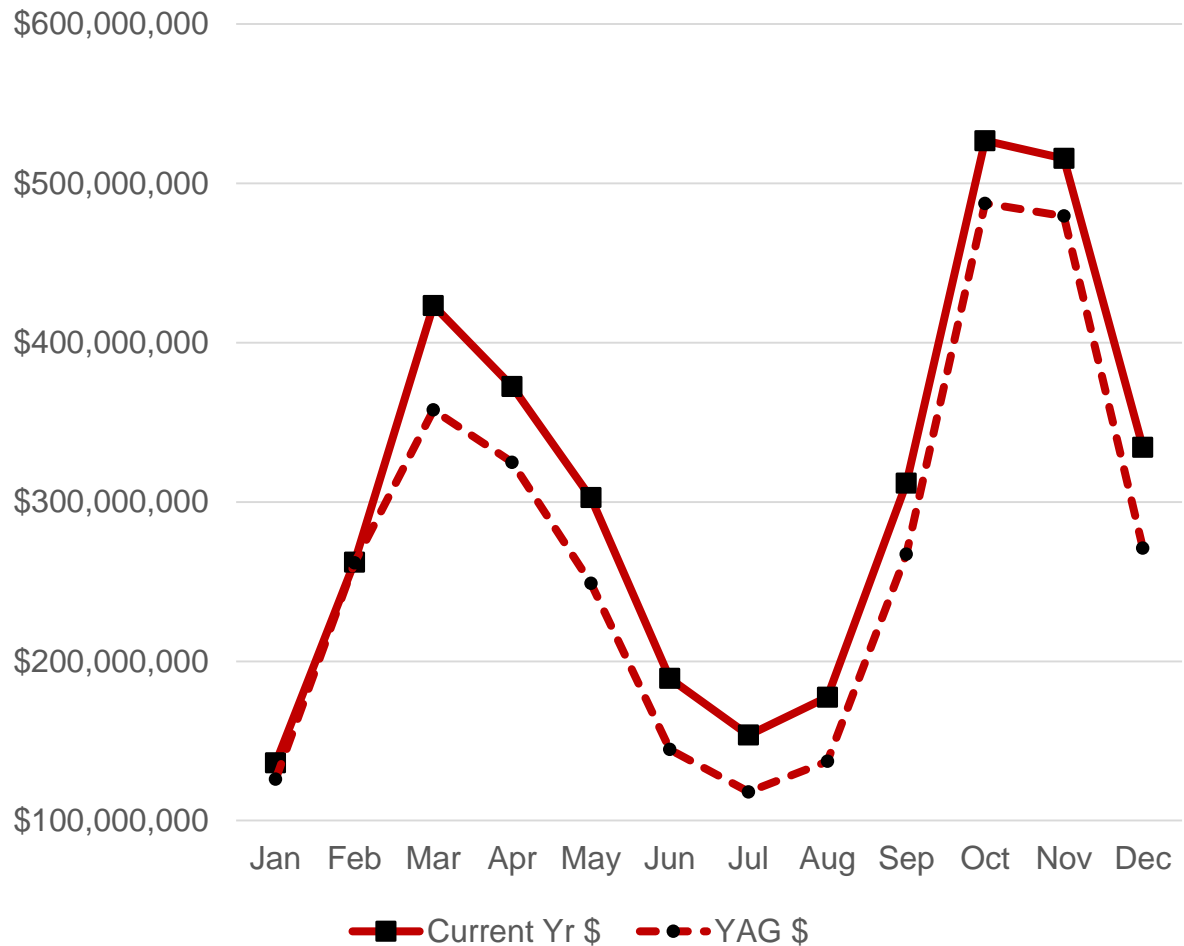
- Dec 2020 DtC Shipment year on year growth was robust – better on both dollars (+23.3%) and volume (+32.9%) than each of the last 3 months
- Price tier growth was solid above \$11 up to \$100, but again challenged for tiers north of \$100
- With volume growth again running ahead of value gains, the average bottle price dropped by -\$2.61; Napa average price fell -\$4.42 to just slightly above \$60
- Of the Wine origins broken out, Sonoma led all others, with strong volume and value growth ahead of all others
- Of the seven largest Wine types, Sparkling led all others in growth
- Large wineries (over 500K annual case production) – with the lowest average prices - continued to lead growth by a very large margin. At the other end of the 'size' spectrum, Limited Production wineries (under 1,000 case per year) also continued to post impressive increases, albeit with a substantial reduction in the average selling price (in aggregate)

Retail Off Premise Channels

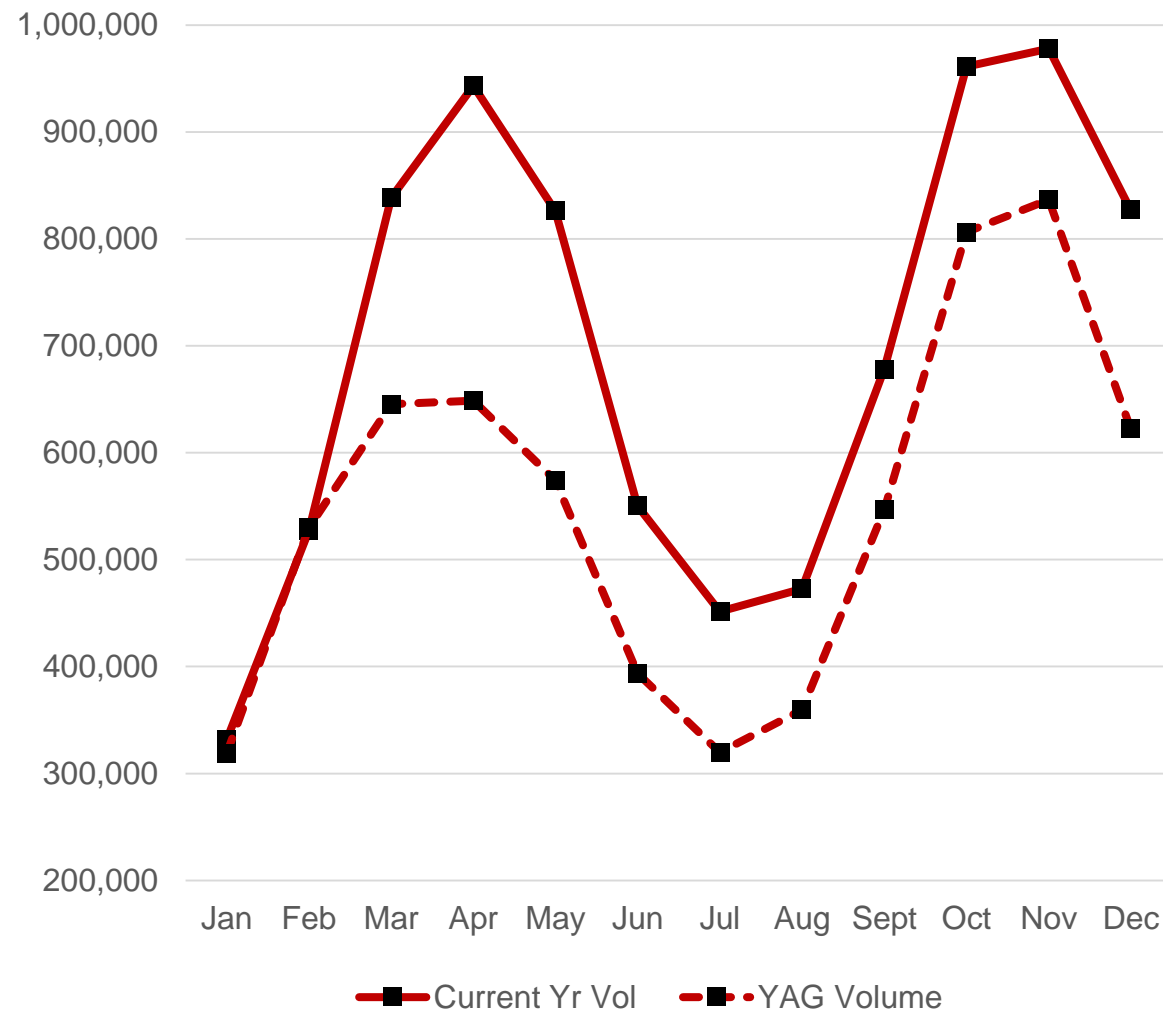
- Over the key weeks of December, category growth in Retail off premise, while still positive, had continued to fall further into single digit levels. While not reflected here, subsequent growth covering the last full week of December and the first week of January, was improved
- At the same time, all price tiers north of \$11 continued to grow by double digit levels, so dollar growth is still outpacing volume growth - off premise premiumization is 'alive and well'
- In the last 4 week period, standout growth leaders were...
 - Napa and Oregon regions
 - Rose' and Sauvignon Blanc

DtC Wine Shipments – Jan 2020 thru Dec 2020 (vs Year Ago)

Monthly DtC Shipments (Dollars)

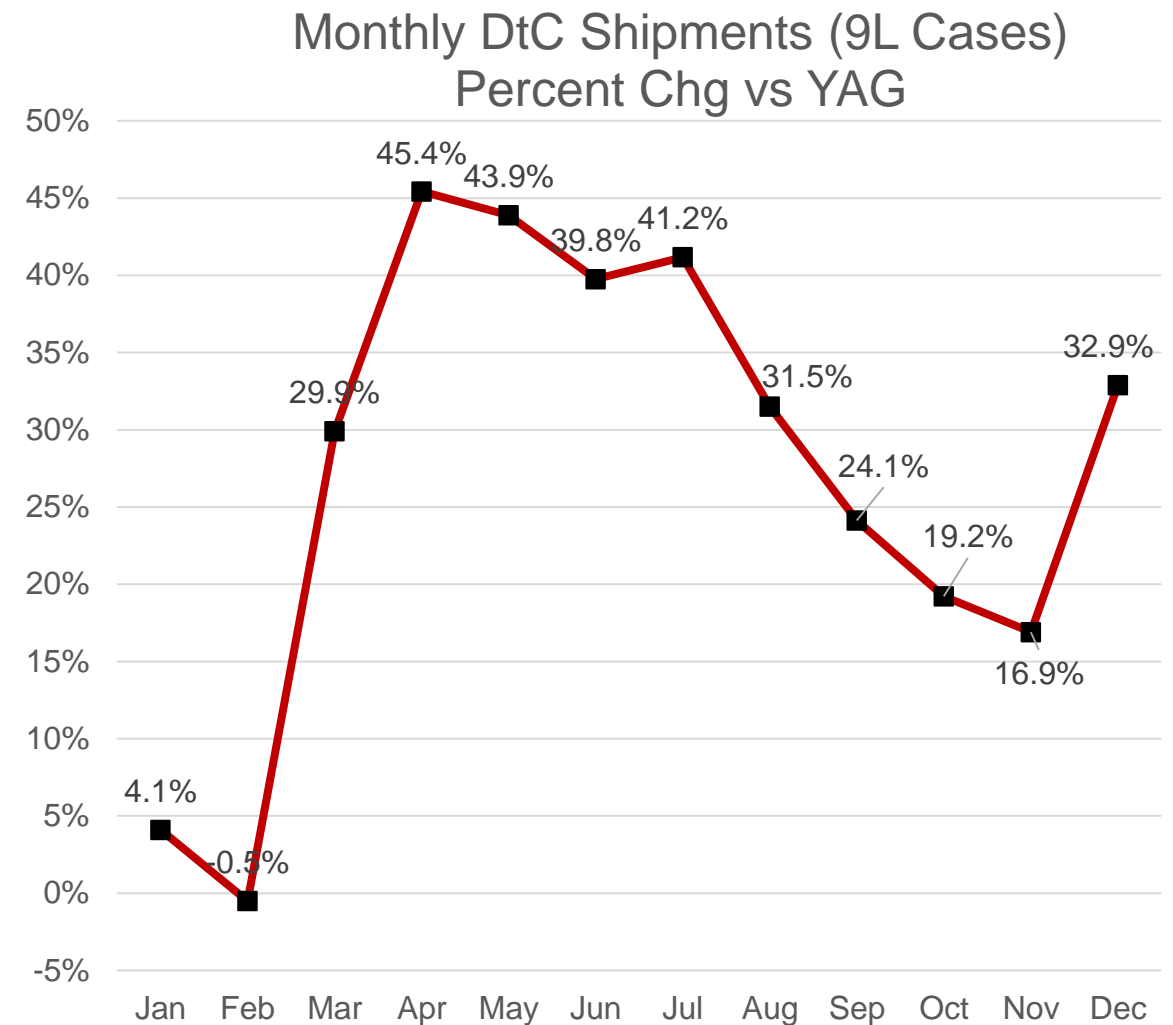
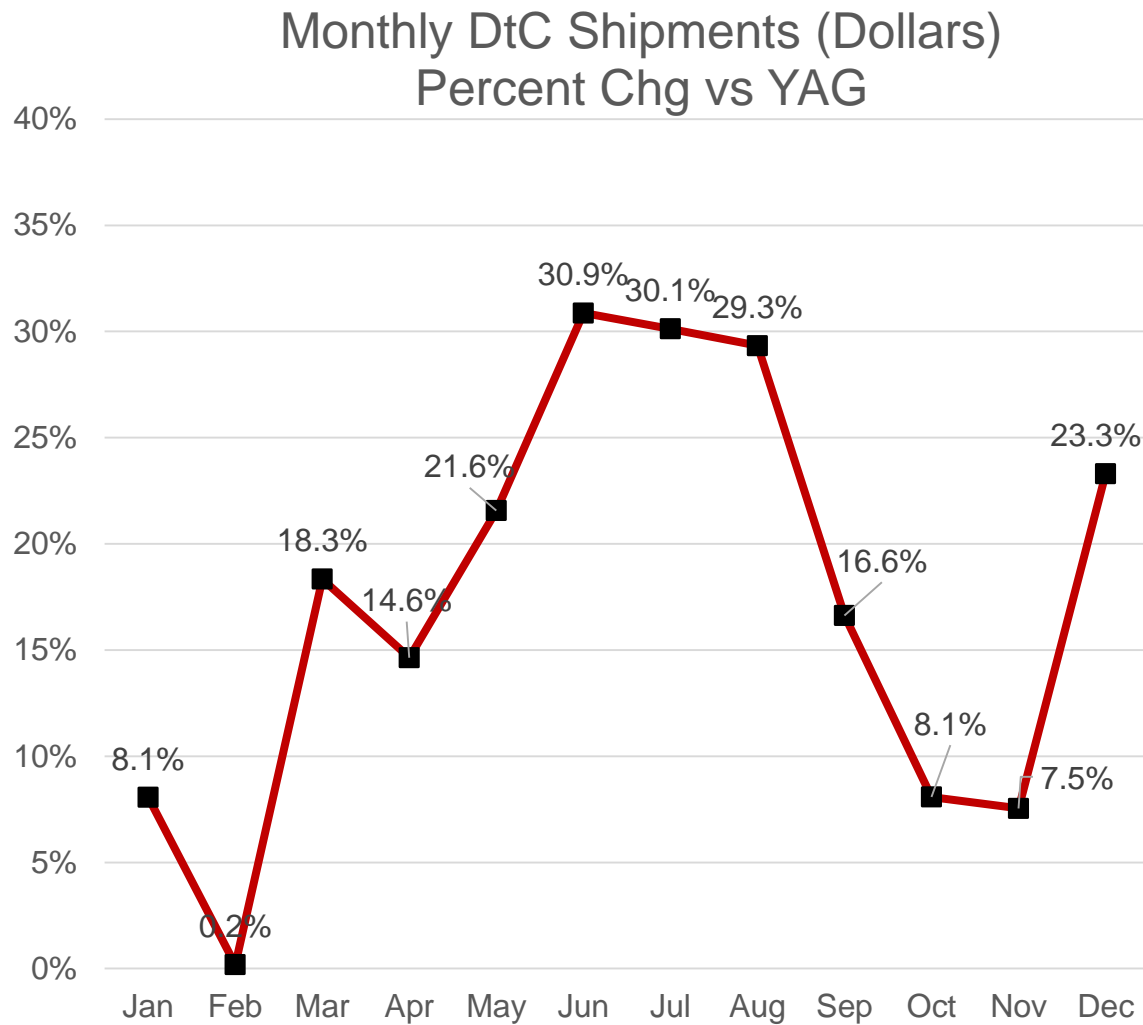


Monthly DtC Shipments (9L Cases)



Source: **SOVOS** ShipCompliant  **WINES VINES ANALYTICS**

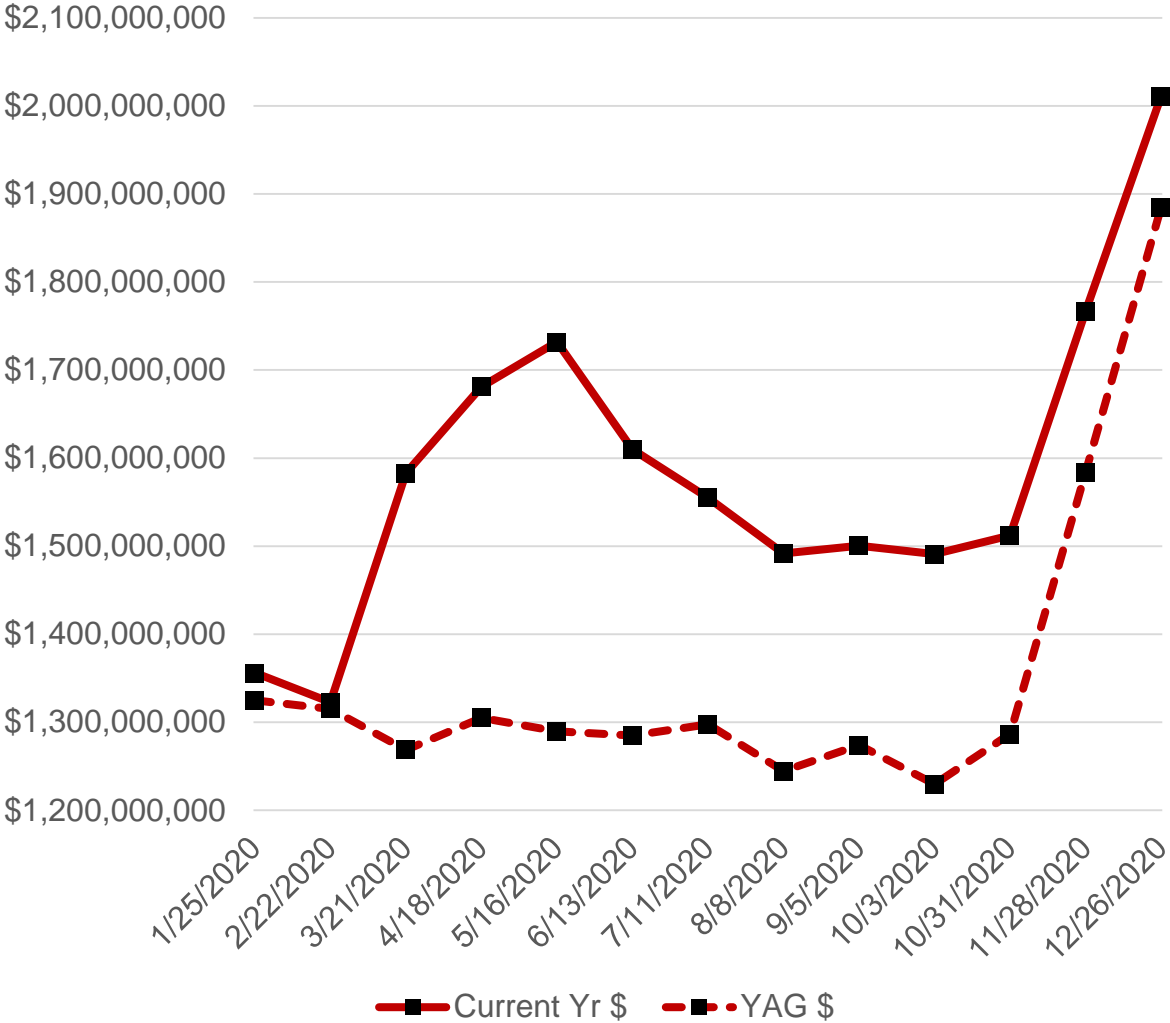
DtC Wine Shipments – Jan 2020 thru Dec 2020 (vs Year Ago)



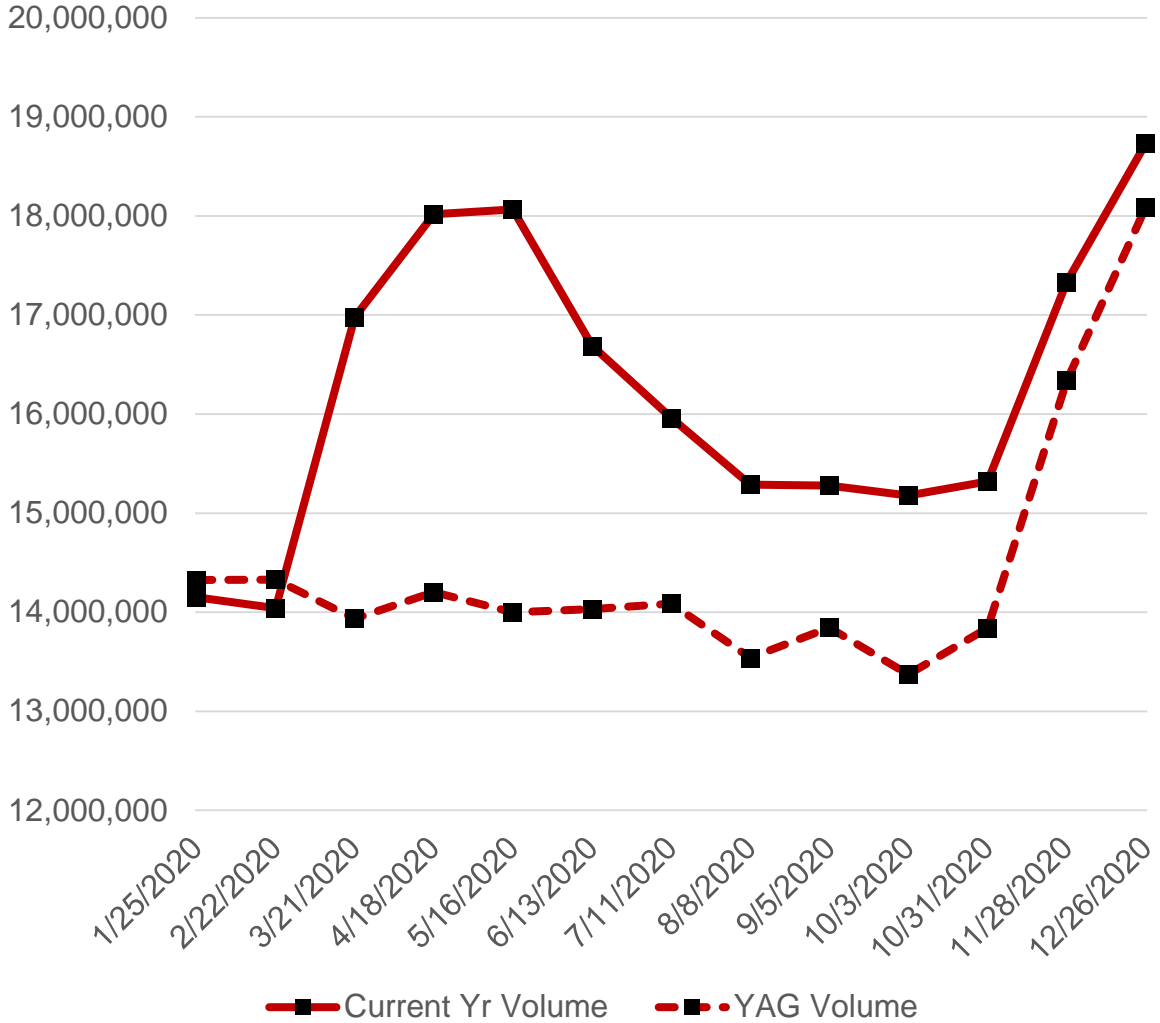
Source: **SOVOS** ShipCompliant  **WINES VINES ANALYTICS**

Retail Off Premise – Jan 2020 thru Dec 2020 (vs Year Ago); 4 week ending periods

Retail Off Premise (Dollars)

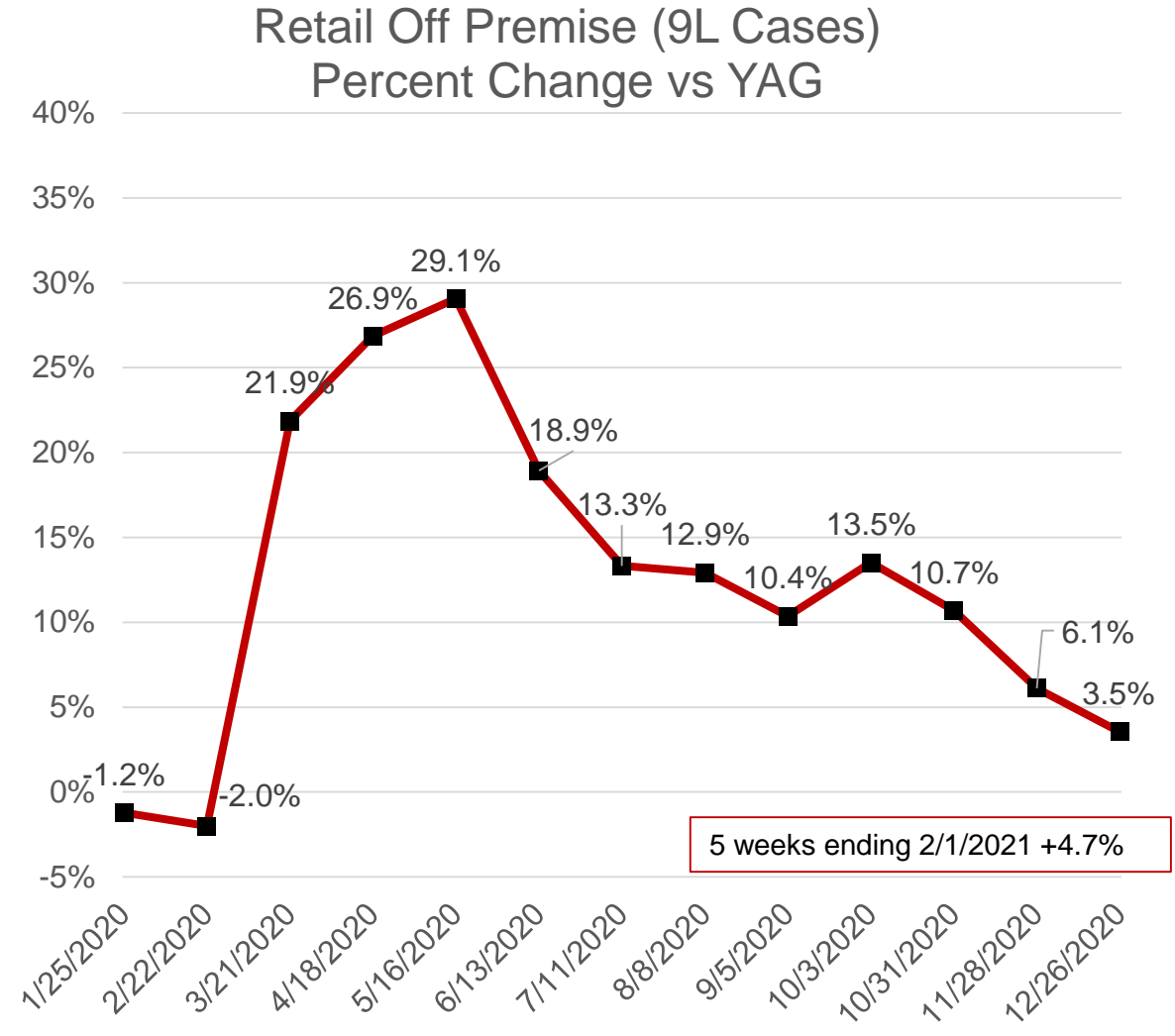
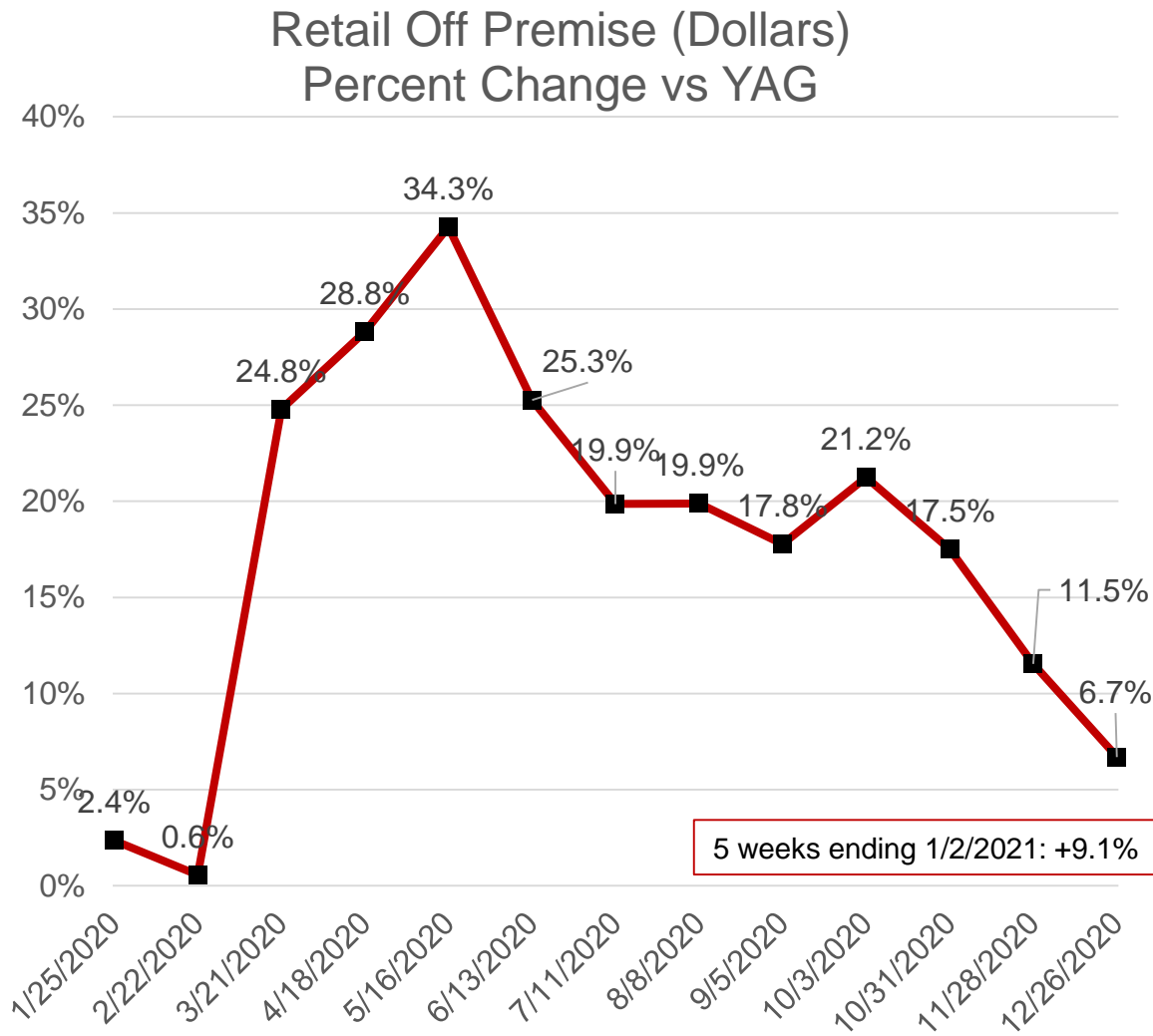


Retail Off Premise (9L Cases)



Source: nielsen 4 weeks ending 1/25/2020 thru 12/26/2020 (vs Year Ago)

Retail Off Premise – Jan 2020 thru Dec. 2020 (vs Year Ago); 4 week ending periods



Source: **nielsen** 4 weeks ending 1/25/2020 thru 12/26/2020 (vs Year Ago)

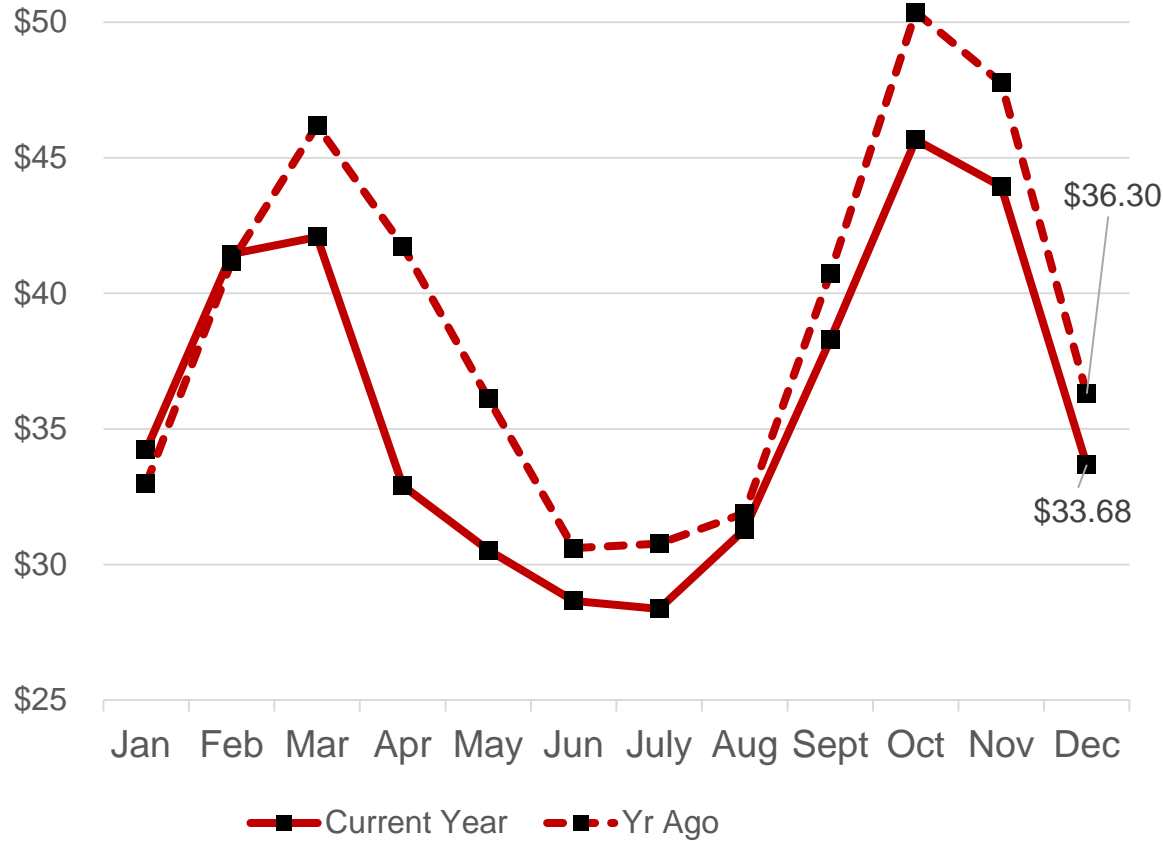
DtC AVERAGE PRICE FALLING; RETAIL PRICE INCREASING

DtC Shipments – Avg Price per 750 ML

Jan thru Dec 2020

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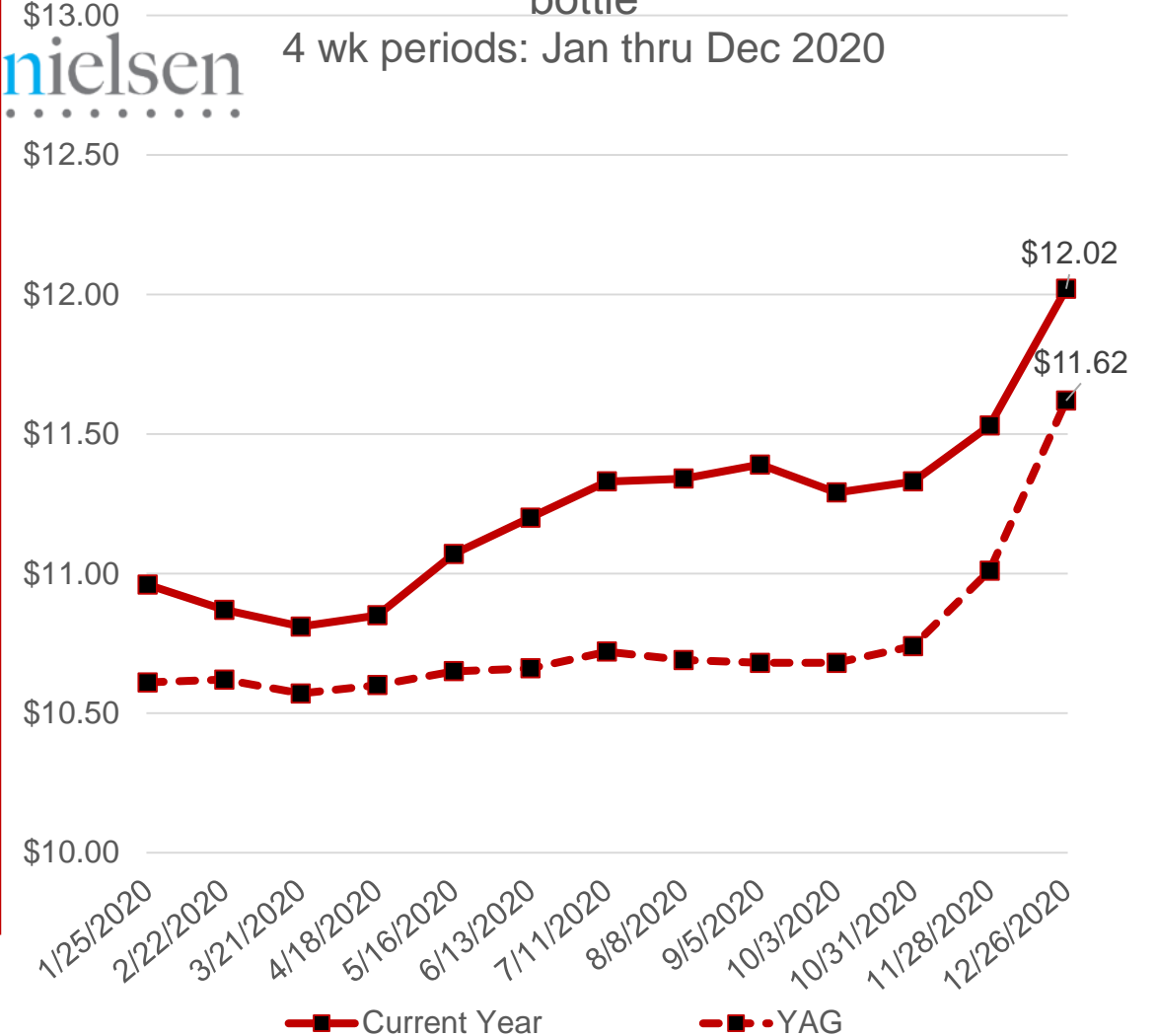


Retail Off Premise – Avg Price 750 ml bottle

bottle

4 wk periods: Jan thru Dec 2020

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DtC Shipments vs Retail Off Premise Scorecard – Jan thru Dec 2020

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Monthly Periods

DtC Shipments	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Value % chg	+8%	+/-0%	+18%	+15%	+22%	+31%	+30%	+29%	+17%	+8%	+8%	+23%
Vol % chg	+4%	-1%	+30%	+45%	+44%	+40%	+41%	+32%	+24%	+19%	+17%	+31%
Avg Price	\$34.23	\$41.45	\$42.08	\$32.91	\$30.53	\$28.66	\$28.36	\$31.29	\$38.29	\$45.67	\$43.94	\$33.68
Price \$ chg vs YAG	+\$1.26	+\$0.29	-\$4.11	-\$8.84	-\$5.60	-\$1.95	-\$2.41	-\$0.53	-\$2.46	-\$4.70	-\$3.82	-\$2.61



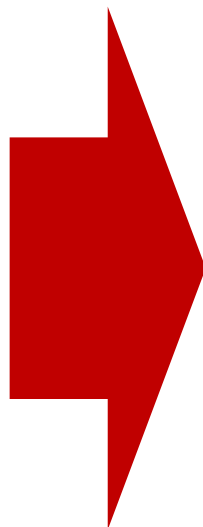
4 Week Ending Periods

Retail Off Premise	1/25	2/22	3/21	4/18	5/16	6/13	7/11	8/8	9/5	10/30	10/31	11/28	12/26	5 w/e 1-2-21
Value % chg	+2%	+/-0%	+25%	+29%	+34%	+25%	+20%	+20%	+18%	+21%	+17%	+11%	+7%	+9%
Vol % chg	-1%	-2%	+22%	+27%	+29%	+19%	+13%	+13%	+10%	+13%	+10%	+6%	+4%	+5%
Avg Price (750 ml bottle only)	\$10.95	\$10.87	\$10.81	\$10.84	\$11.07	\$11.19	\$11.33	\$11.34	\$11.39	\$11.29	\$11.33	\$11.53	\$12.02	
Price \$ chg vs YAG	+\$0.34	+\$0.25	+\$0.24	+\$0.24	+\$0.42	+\$0.54	+\$0.61	+\$0.65	+\$0.71	+\$0.61	+\$0.59	+\$0.52	\$11.62	

Interested in Going Deeper?

Performance by...

- Price Tiers?
- Varietals?
- Origin?
- Winery size?
- Destination markets (States)



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The background of the entire image is a vibrant red color with a complex, wavy, and undulating pattern that resembles liquid or fabric in motion. The waves are layered and create a sense of depth and movement.

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