TRUE CHARACTER
oregon wine
EST — 1847

Mid-Year Review: State of the Industry – YTD 2025 at the Halfway Mark

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August 5, 2025

Rough Seas, But Bright Spots Too

AGENDA

- Big Picture
- Oregon Picture
- Oregon Wine Promotion Month

Primary Data Sources

SHIPMENTS	DEPLETIONS	RETAIL SCAN SALES	DtC	Consumer
SHIPMENTS	**ON + OFF PREMISE**	**SELECTED OFF PREMISE**	**DtC SHIPMENTS**	**BEHAVIOR & ATTITUDES**
Tax paid shipments - Domestic vs Import • Still vs Sparkling (Bulk vs Pkgd) • Spirits by Type	Depletions from ~20 wholesalers plus NABCA (Control states)	• AOC: Food, Drug, Mass Merch, Club (ex Costco), Military • Convenience • Liquor; 31 states – independents + 20 Liquor chains today;	Aggregate of… • online orders placed at Winery website • wine club sales tasting room purchases • Much more on DTC from	• Primary Research • Gets to the Why of consumer choices • Long-term tracking of consumer trends

NIQ	SipSource By WSWA
Retail Sales Scan Data **Selected Off Premise Channels**	**Aggregated Depletions** **<u>ALL</u> Off <u>AND</u> On-Premise Channels**
• **Total U.S. (xAOC): Grocery, Drug, Club (BJ's, Sam's) Mass Merchandisers (Walmart, Target) & Military Exchanges** • **Liquor channel: 31 (non control) states including Independents and 20+ Chains across the country in those states** • **Total U.S. Convenience**	Allied Beverage Group, Breakthru, Columbia, Eder Bros fine wine & spirits since 1933, Fedway, Great Lakes Wine & Spirits, Horizon Beverage, Heidelberg, Kentucky Eagle, Murphy, NABCA, Lipman, Martignetti Companies, Imperial Beverage, Opici Family Distributing, RNDC, Saratoga, SG, Saratoga, Standard Beverage 1949, Virginia Imports, Ltd., Winebow
• Product segment/price tier reporting • Dollars and volume; distribution; retail pricing • Geographic & retailer level reporting • Brand level reporting	• Product segment/price tier • Channel/geographic reporting • Revenue and volume share & pct chg vs year ago • Accounts Sold; PODS • No individual brand or retailer reporting
CGA Powered by NIQ — On Premise – Restaurants & Bar sales	

BIG PICTURE

CHALLENGES

SOME CYCLICAL
SOME STRUCTURAL

Economic

- Cumulative Inflation
- Reset of Interest Rates
- Tight Inventory Management
- Consumer Debt
- Tariffs
- Immigration

Consumer Changes

- Demographic Changes – incl ageing core Wine consumer
- Generational/Lifestyle Changes
- Social Interactions

Competitive Landscape

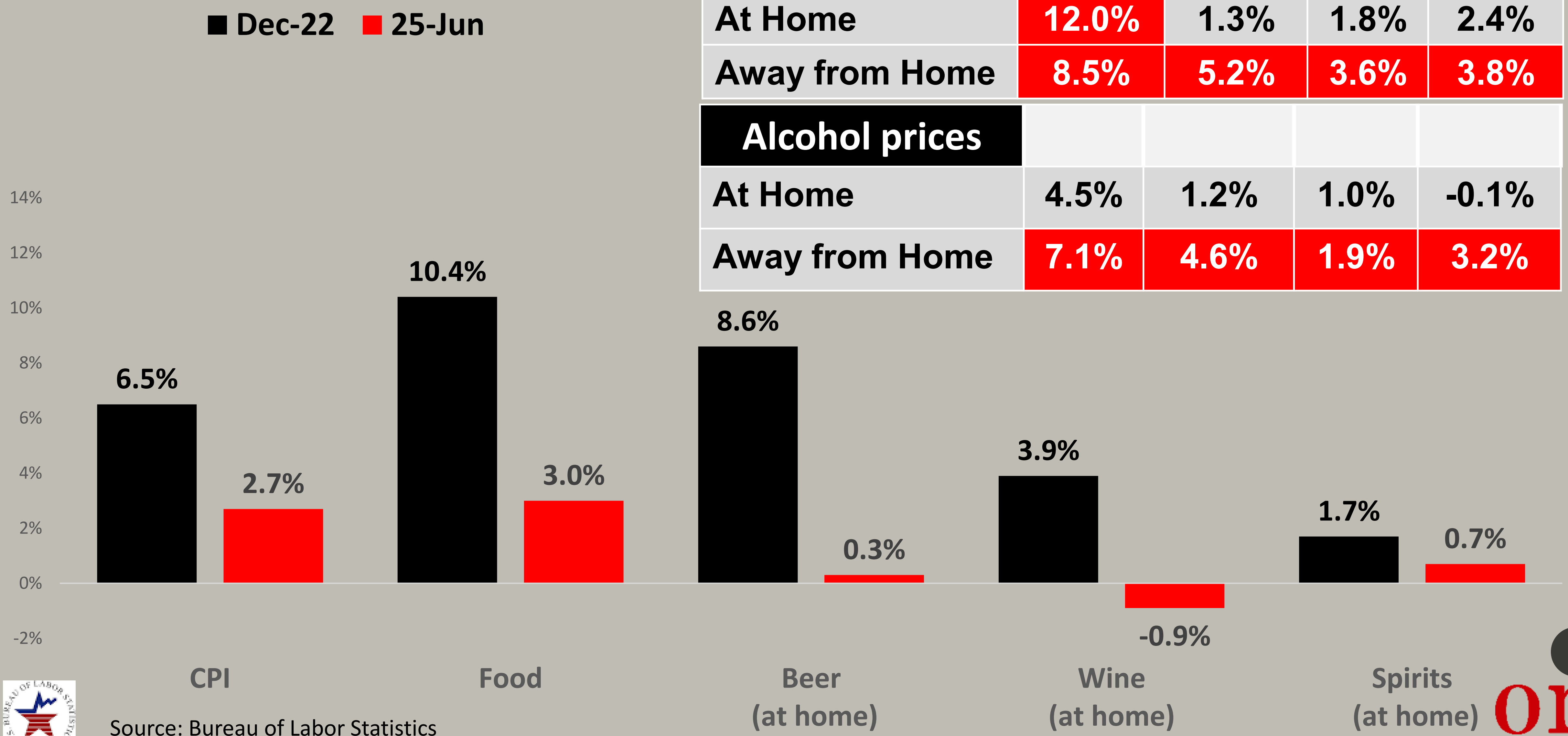
- Expanding Choice Repertoire
  - Within Beverage Alcohol
  - Beyond Beverage Alcohol

Anti Alcohol Voices

Broader Landscape Weighing on Demand

Inflation Stabilizing But Cumulative Inflation Impactful; On Premise Prices Continue To Rise

Food prices	Nov 2022	Dec 2023	Dec 2024	June 2025
At Home	12.0%	1.3%	1.8%	2.4%
Away from Home	8.5%	5.2%	3.6%	3.8%
Alcohol prices				
At Home	4.5%	1.2%	1.0%	-0.1%
Away from Home	7.1%	4.6%	1.9%	3.2%



Source: Bureau of Labor Statistics

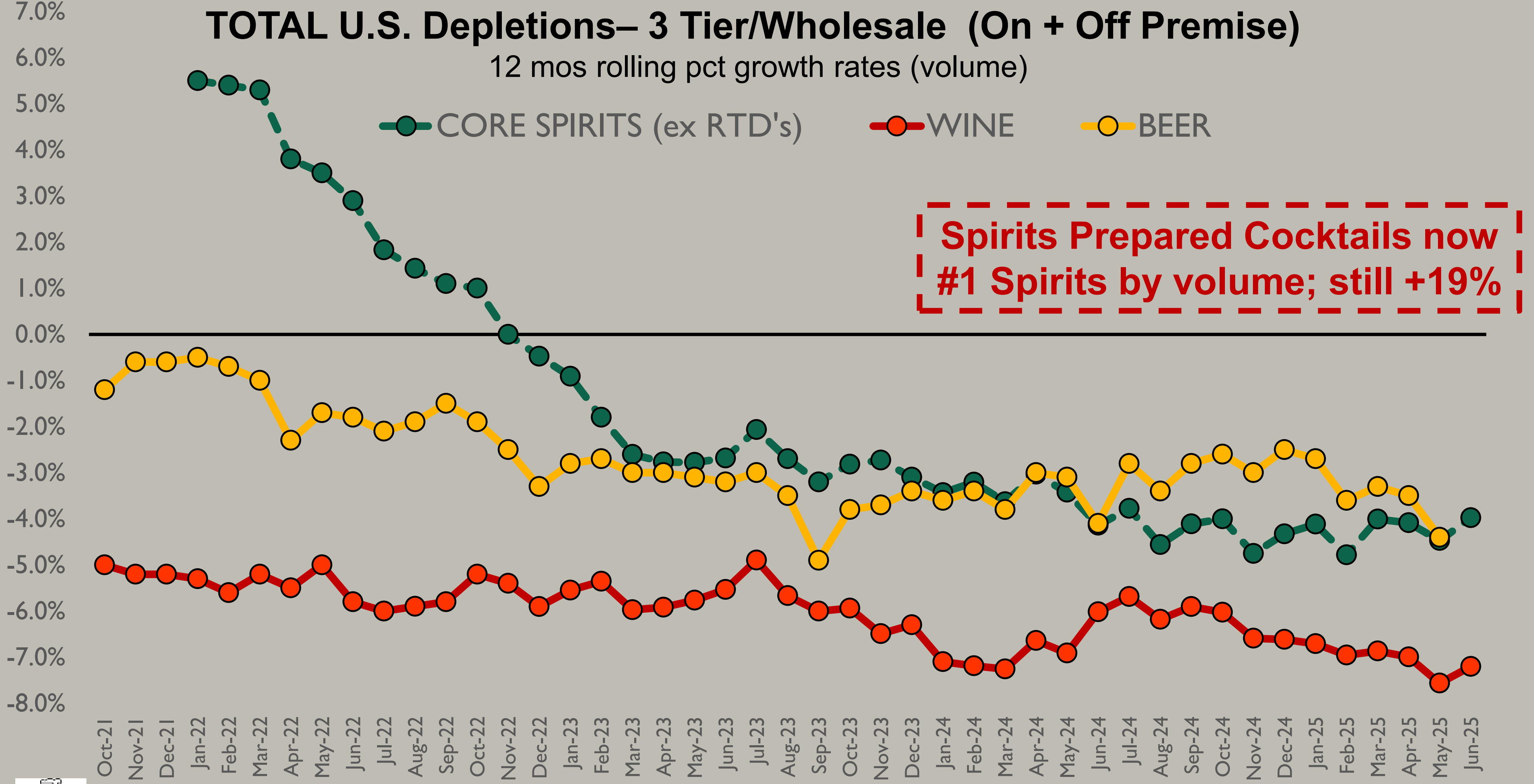
Beverage Alcohol Categories In Decline – Stabilized Trends Currently But In Negative Territory

Dec 2020

+4.7%

+0.3%

+1.2%



12-Month Rolling Volume % Change
(excludes NABCA)

WINE'S REALITY

- ❑ Declining Demand
- ❑ Over Supply
- ❑ Industry Reset/ Right Sizing

  - ❑ # Suppliers declining
  - ❑ Distributor shuffling
  - ❑ PODS declining both On and Off Premise

THE OTHER REALITY

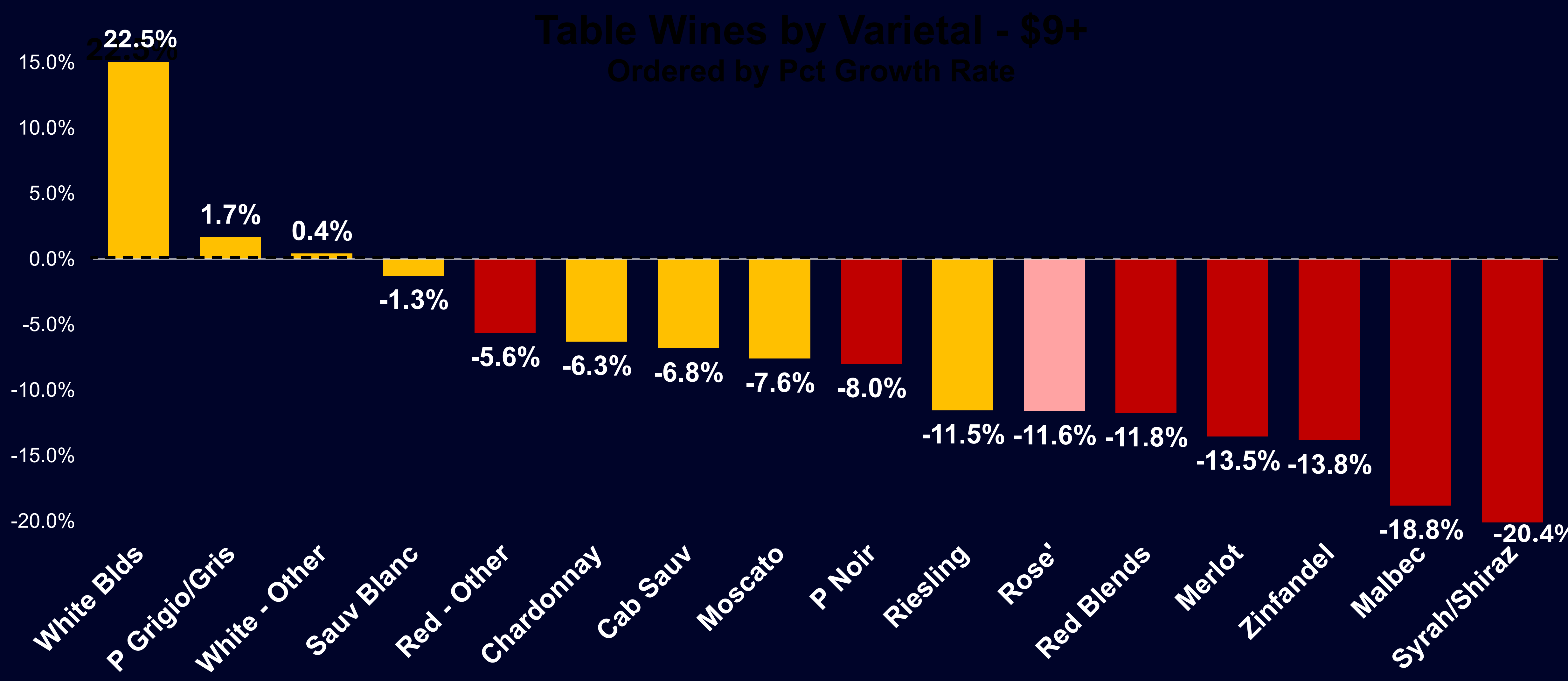
- ❑ Many Pockets Of Growth
- ❑ A Greater Need…
  - Strong Brands
  - Trusted Brands
  - Growing Brands
  - (Impactful) Innovation
  - Balanced Age Profile

or.

Wine: Some Areas of Growth

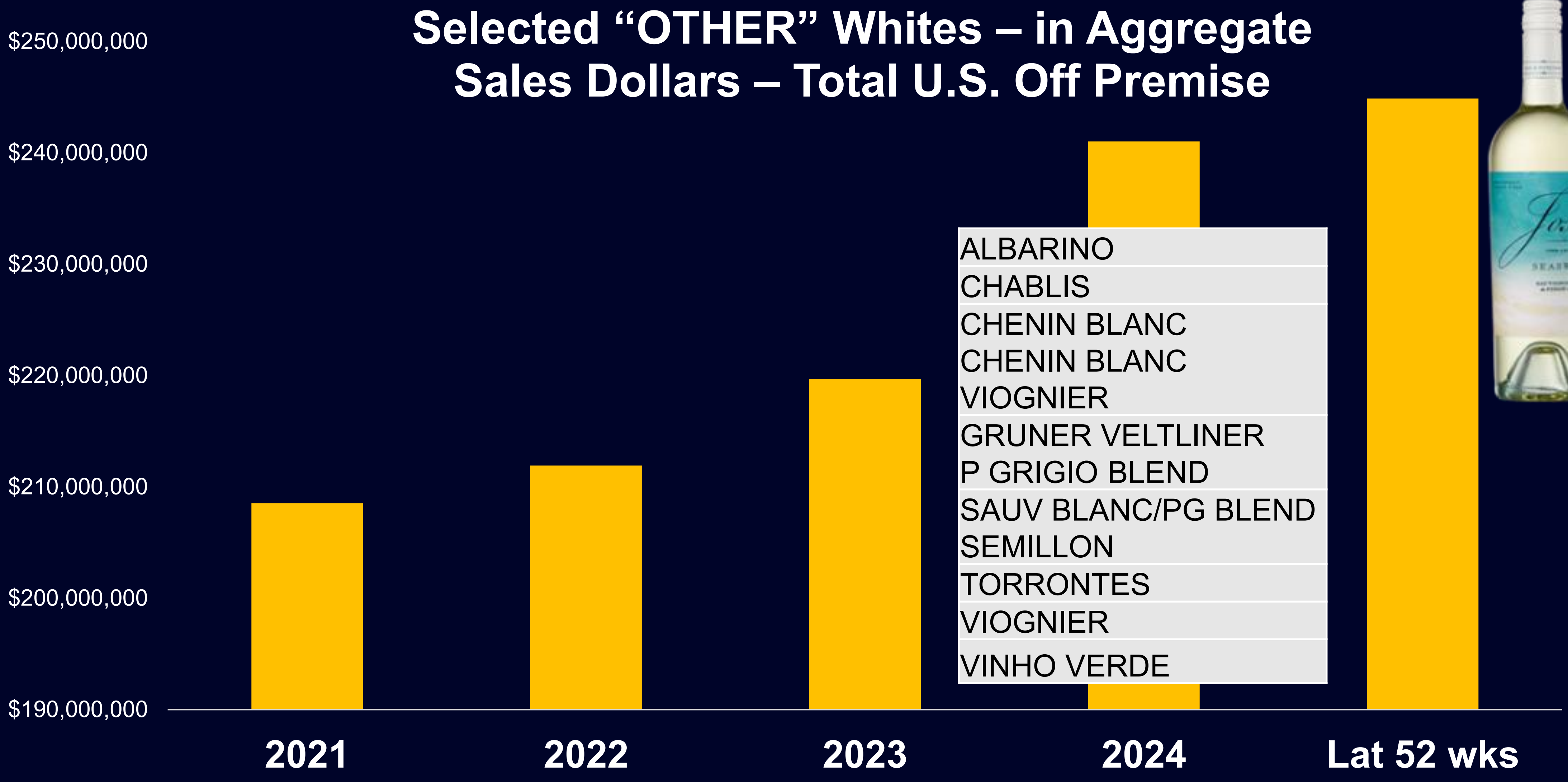
- More Premium end
- Whites > Reds
- *"Better for You"*
    - LOW – but NOT all the time, or for ALL
    - NO (Non Alc) – small, but continued double digit growth
    - Organic – steady growth
- High ABV Too
- Wine based cocktails (much smaller than Spirit RTD's)
- Exclusive labels – especially with oversupply
- Premium Alternative Packaging (other than 750+ML Glass)
    - Tetra, Glass, Box, Can, Recycled paper
    - Economic, Social/Occasion, and Environmental Moderation

Whites Generally Outperforming Reds/Pinks



12 mos period ending May 2025 (volume); Total U.S. Off + On Premise; OTHER excludes Major Varietals

Alternative Whites/Blends Growing



Chard: $2.9B
SB: $1.8B
PG: $1.7B

NIQ

Off Premise Measured Channels – period end June 14, 2025 (Dollars); 52 week periods

NA Wine Opportunities

- NA Wine sales: **+24% vs Yr Ago**
- NA Wine $ share: **0.5% of Wine** (vs Beer NA share of almost 3%)

- **Over 90% of those who drink Non Alc Adult Beverages also drink Alcohol**

- Cross generations – young to old
- Multiple occasions
- Multiple places - beyond where mainstream Wine can be sold, incl. amazon

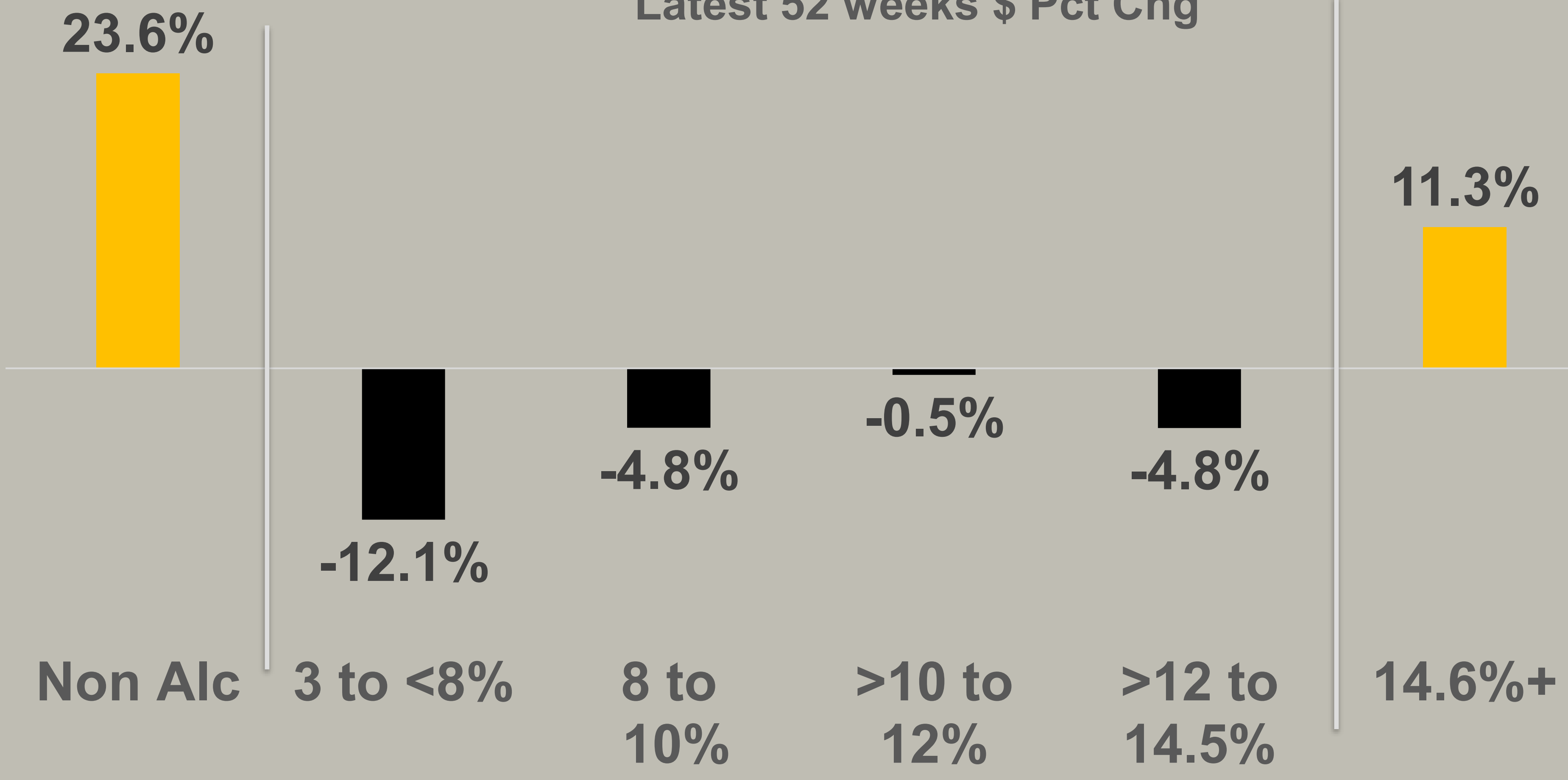
NIQ Off Premise Measured Channels – 52 weeks end June 14, 2025 (Dollars

or.

Bifurcation - *Occasion Over Habit*

Wine – by ABV %

Total U.S. Off Premise Measured Channels
Latest 52 weeks $ Pct Chg



Traditional

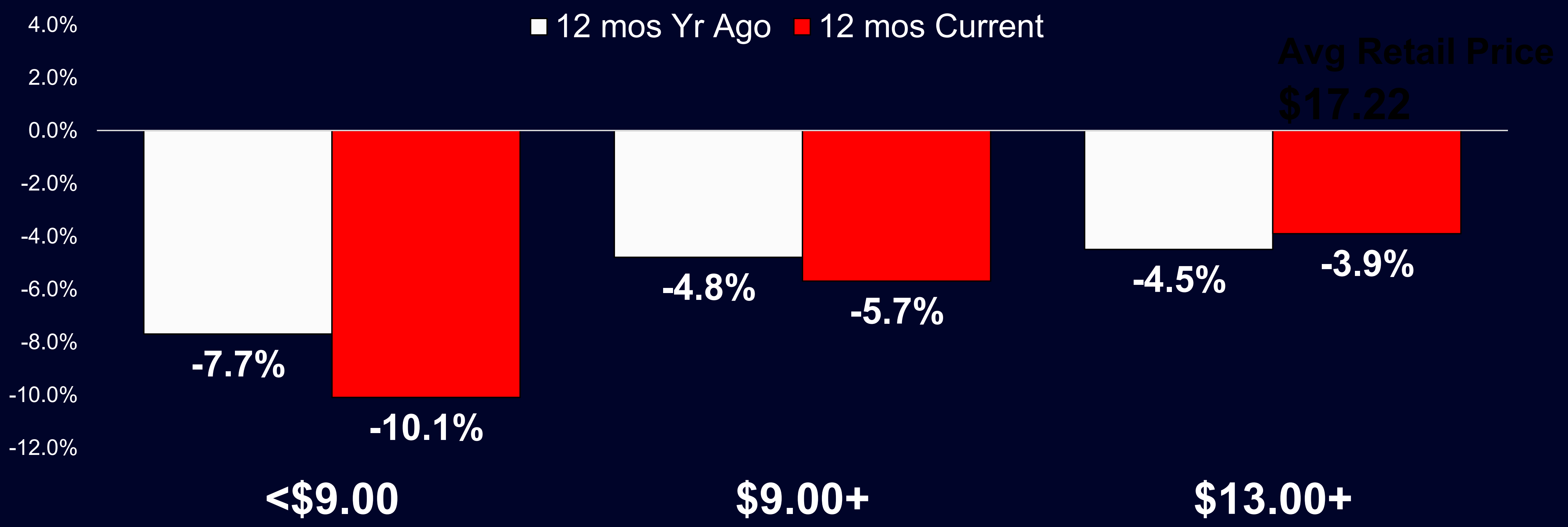
Unconventional

Total U.S. Measured Off Premise Channels; 52 w.e June 14, 2025

Premium + Table Wines Performing Much Better Than Lower End – That's Where OREGON Primarily Plays

Table Wine – Glass

Total U.S. – Off + On Premise – Pct Chg vs Yr Ago

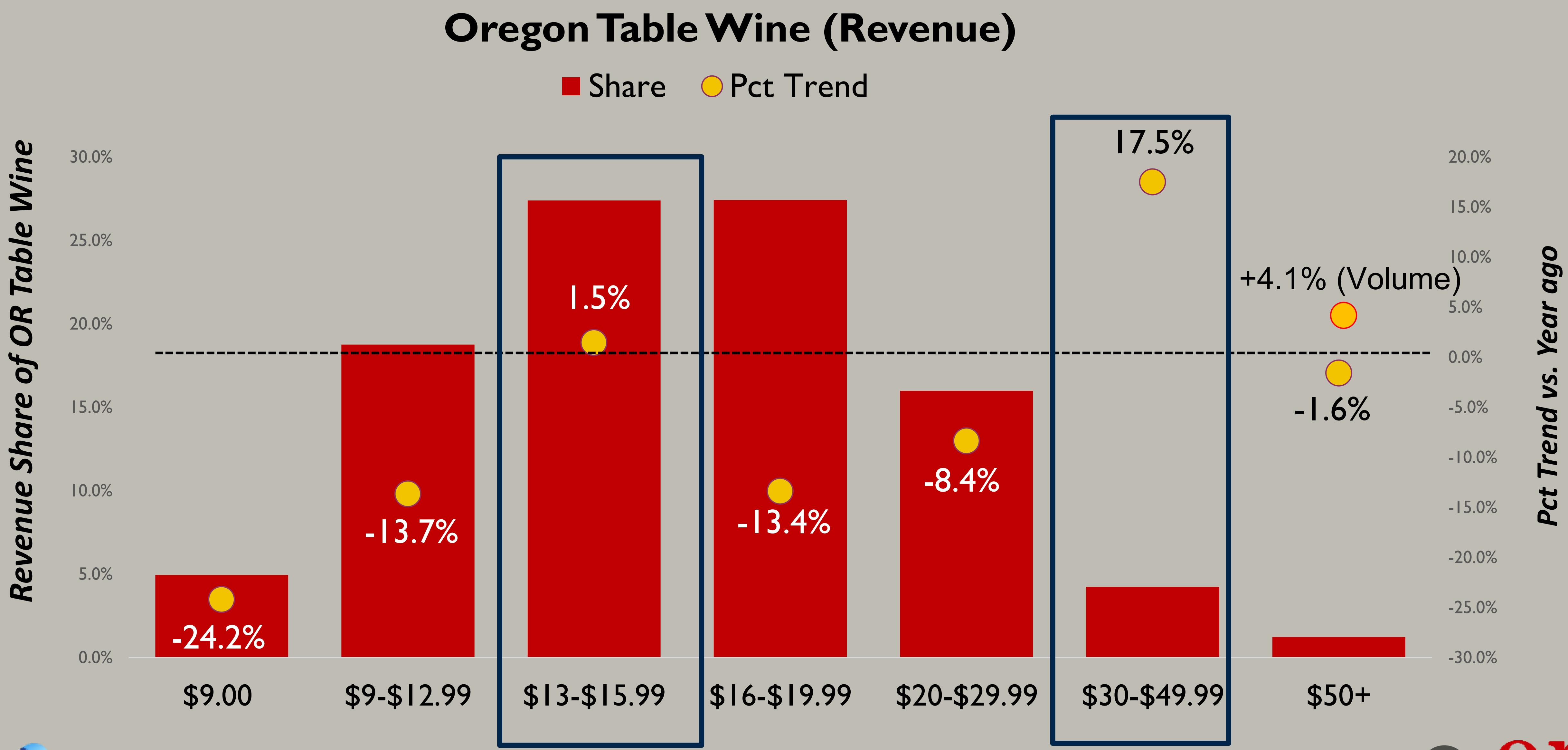


27% of category revenue

49% of category revenue

OREGON PICTURE

Oregon 3 Tier growth from $13-$16, and $30-$50

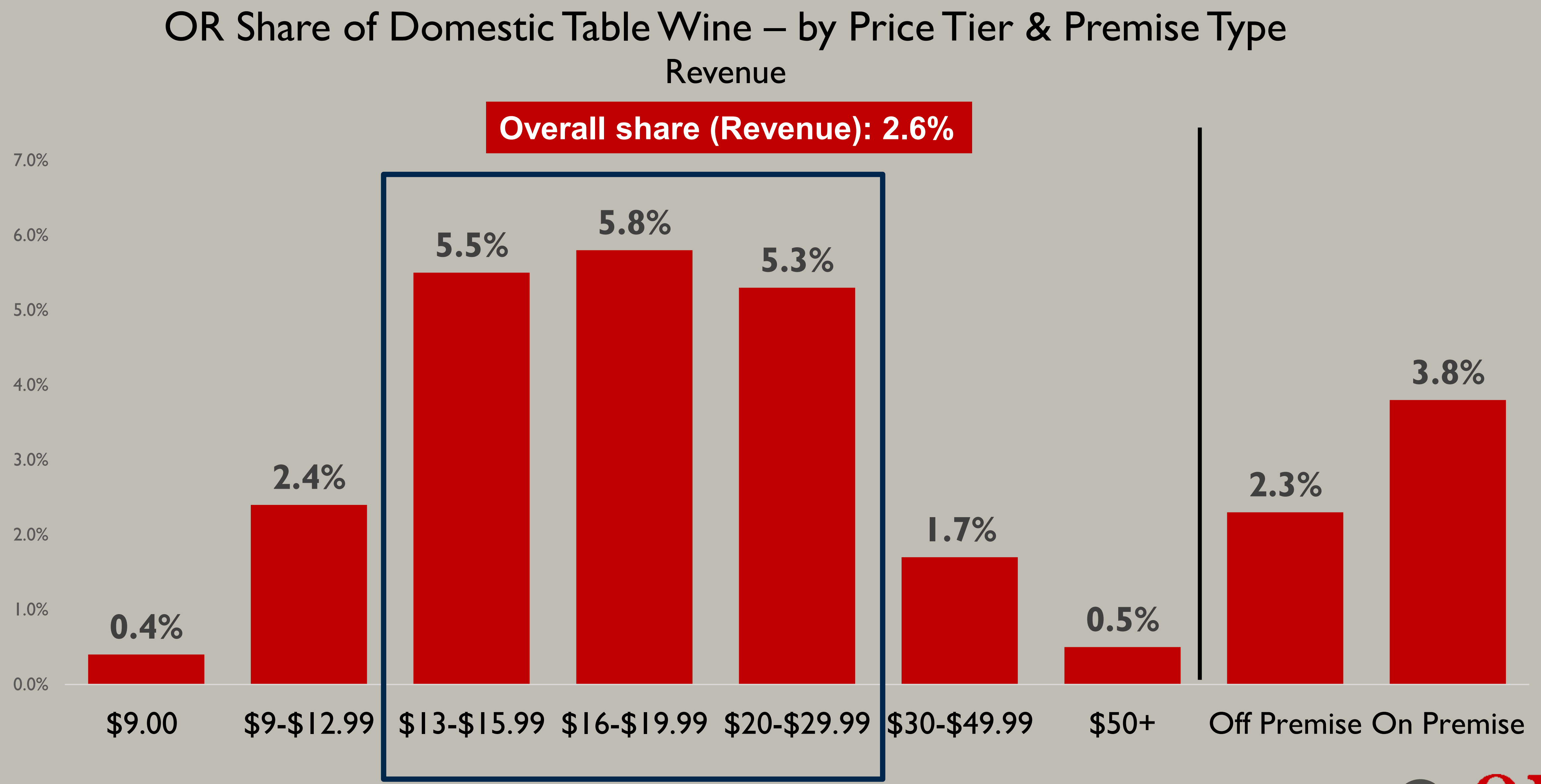


SipSource

12 mos ending June 2025 (Revenue)

or.

OR’s Share Of Domestic Table Wine Peaks In The $13-$30 Range



SipSource

12 mos ending June 2025 (Revenue)

WINE MARKET COUNCIL

60%

of wine consumers who regularly purchase Oregon wine are HIGH-END CONSUMERS *(regularly spend $20+ on a bottle of wine).*

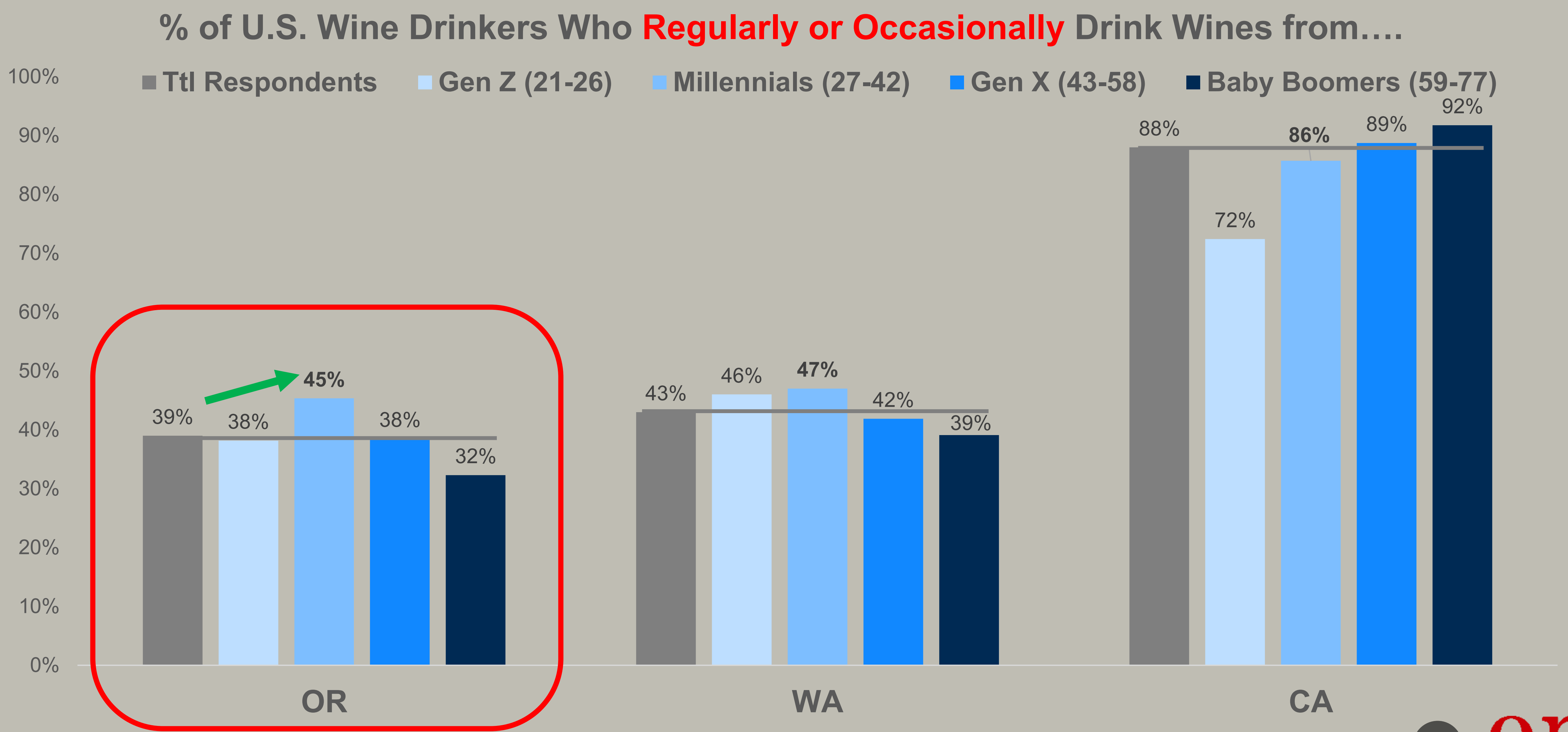
…only 31% who are not high end consumers

SOURCE: 2023 WMC BENCHMARK SEGMENTATION SURVEY

or.

Oregon Stands Out Positively For GEN Z And Millennial Consumer Preference

WINE MARKET COUNCIL

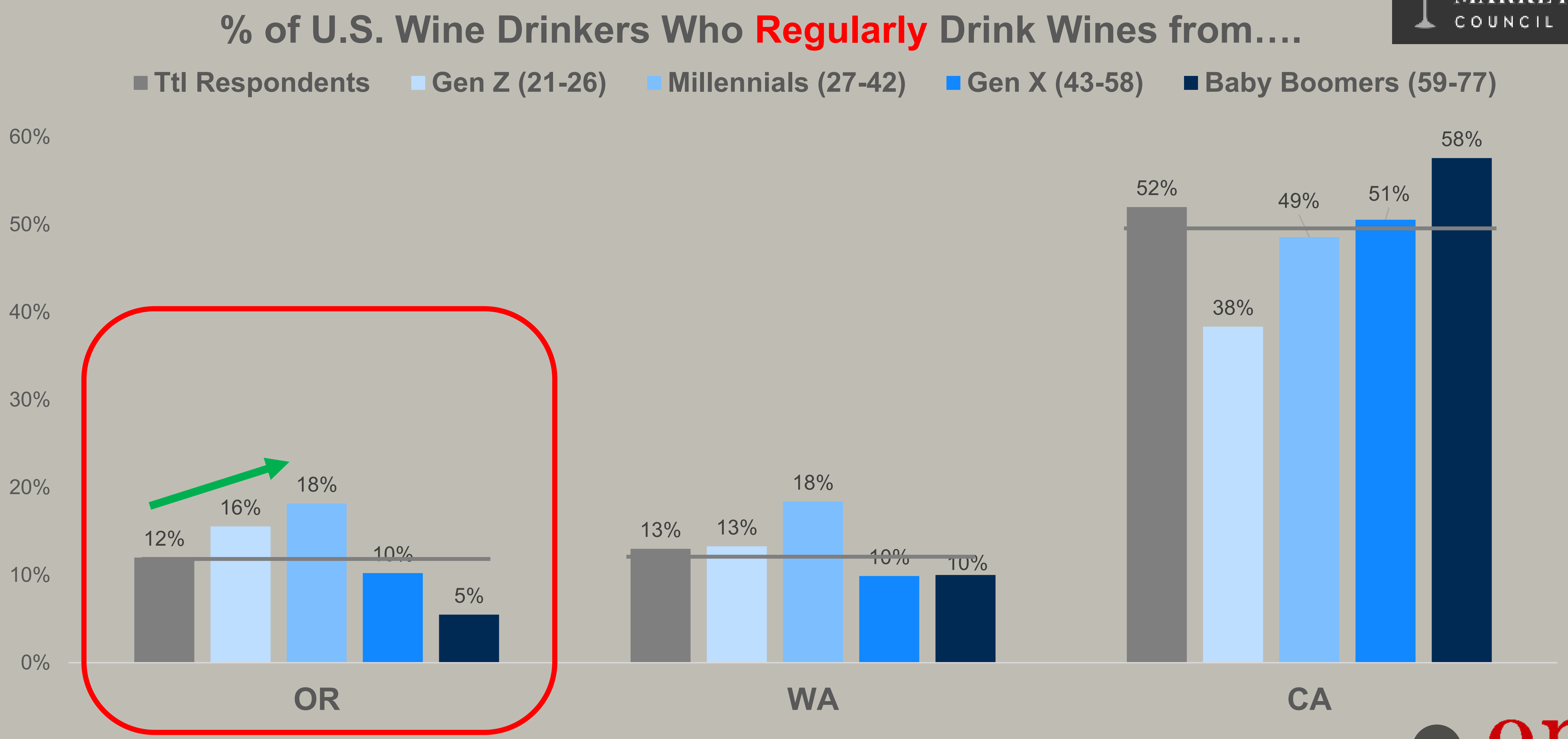


SOURCE: 2023 WMC BENCHMARK SEGMENTATION SURVEY

or.

Oregon Stands Out Positively For GEN Z & Millennial Consumer Preference even Moreso among REGULAR Wine drinkers

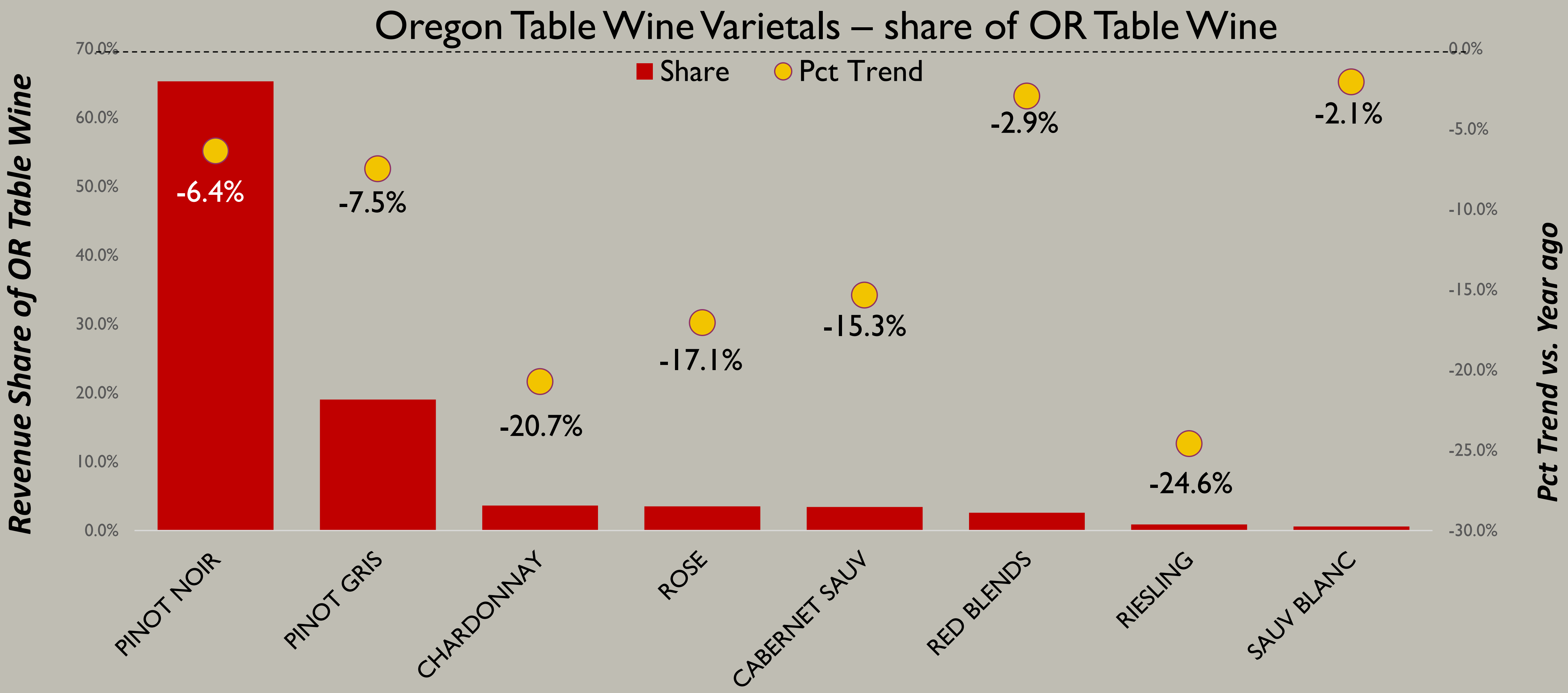
WINE MARKET COUNCIL



SOURCE: 2023 WMC BENCHMARK SEGMENTATION SURVEY

or.

Red Blends & Sauv Blanc Close To Flat; Other Varietals In Decline Incl. P Noir And P Gris – At A HIGH LEVEL.. But Let's Go One Level Deeper



12 mos ending June 2025 (Revenue)

Oregon Varietal – by Price Tier

GROWTH TIERS

	% revenue	$9-$13	$13-$16	$16-$20	$20-$30	$30-$50	$50+
P Noir	65.3%	-14.6%	+9.8% Down last year	-14.4% Up last year	-6.1% Down last year	+30.6% Up last year	+5.2%
P Gris	19.0%	-6.8% Up last year	-7.0% Down consistently	+2.1%	+11.7% Up last year		
Chardonnay	3.6%						
Rose’	3.4%						
Cab Sauv	3.4%						
Red Blends	2.6%						
Riesling	0.9%						
Sauv Blanc	0.6%						

12 mos end June 2025 On + Off Premise

Top 60 Oregon Wines
NIQ (Nielsen) Measured Off Premise

1-10	A to Z	Erath	Underwood	Will Valley	Elouan	Acrobat	King Estate	Argyle	Four Graces	Stoller
11-20										
21-30										
31-40										
41-50										
50-60										

NIQ NielsenIQ Scan Off-Premise Channels; 52 week period July 12, 2025 vs Year Ago

Growth Brands Among Top 60 Oregon Wines

Nielsen (NIQ) Measured Off Premise

Single digit

Double digit

* Oregon labeled only

1-10						Acrobat	King Estate	Argyle		Stoller
11-20			Elk Cove			La Crema*	Ken Wright		Duck Pond	Domaine Drouhin
21-30	Inscription			RoseRock	Domaine Serene		Craftwell		Kings Ridge	Adelsheim
31-40	Cloudveil	Resonance	Planet Oregon		Siduri		Pike Road			
41-50	OTWC		Browne*		Illahe	Anne Amie		Penner-Ash	Averaen	
50-60	Sokol Blosser					Lange	Foris			Big Salt

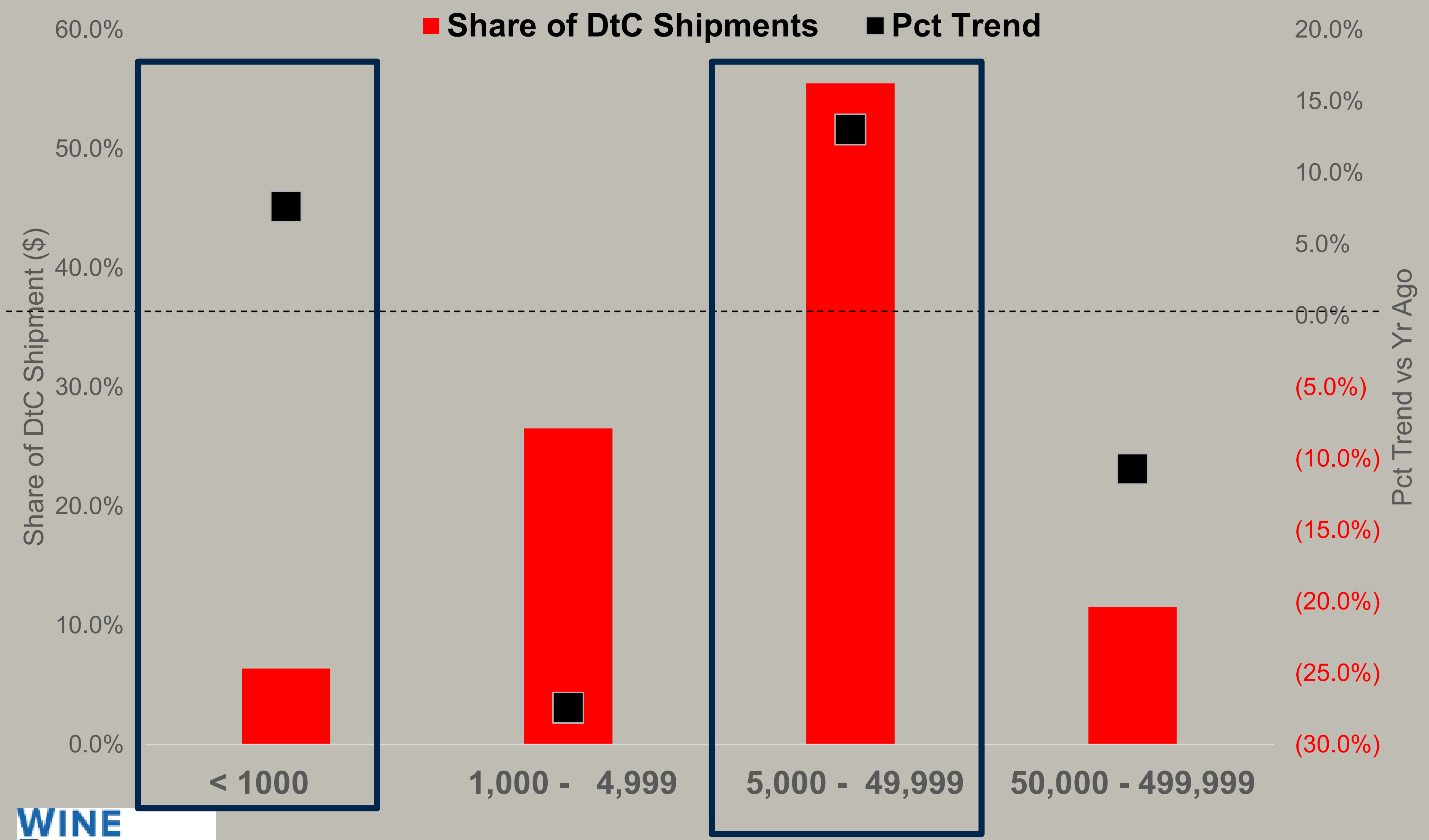
Half of Oregon's top 60 brands are growing (or flat) in Off Premise scan channels

Almost all are $15+: (27% are $20-$25; 43% are $25+)

NIQ NielsenIQ Scan Off-Premise Channels; 52 week period July 12, 2025 vs Year Ago

OR DtC Shipment Growth from Small and Medium Winery size ends

OR DtC Shipments by Winery Size – 12 mos end Jun 2025



WINE BUSINESS ANALYTICS

SOVOS ShipCompliant

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Almost 40% of OR Wineries Grew their DtC Business YTD 2025

Percent of Oregon Wineries who have grown DTC 2025 YTD thru June

38%

+12.5%

Year over Year DTC Growth Among Top Performers

OR DTC

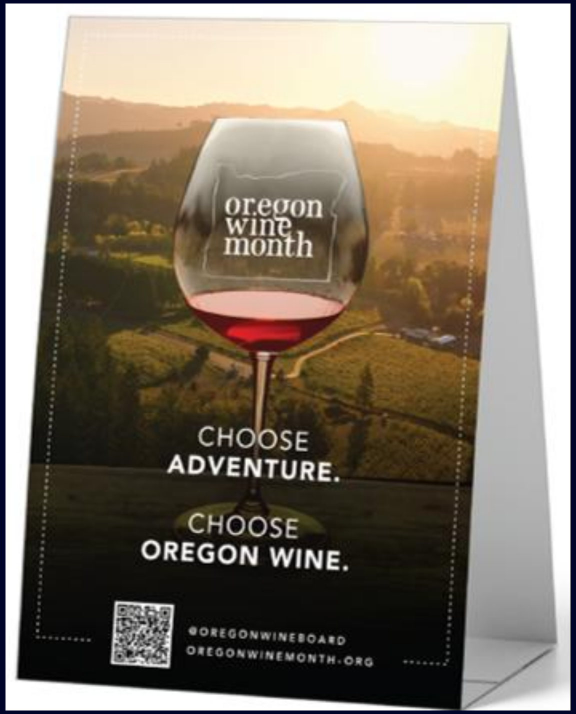
-4.0%

CA & WA DTC

-4.8%

CommunityBenchmark™

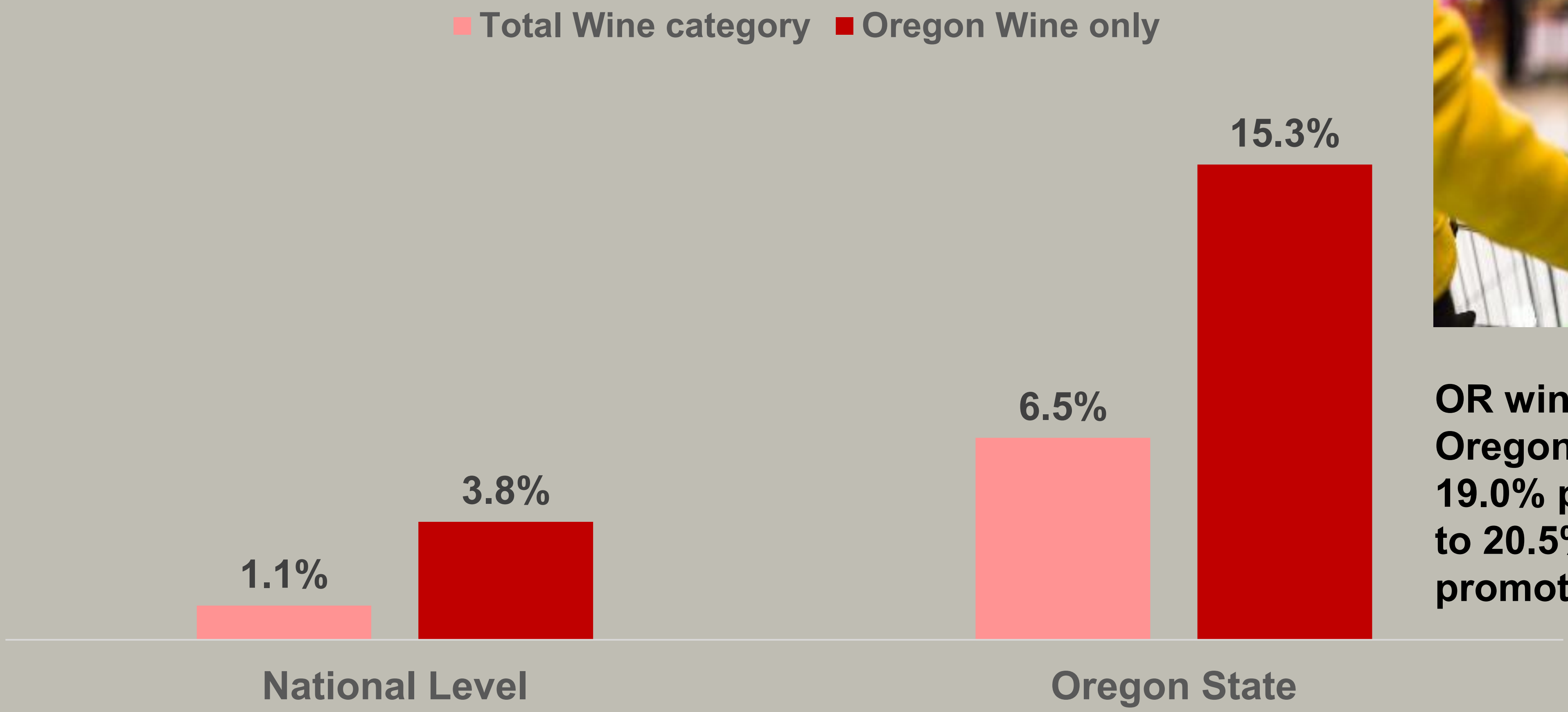
OREGON WINE MONTH ASSESSMENT



OR Wine Volume Fared Better Than Overall Category Volumes, With Particularly Strong Increases In Oregon During The Promo Period

Oregon Wine Promotion Assessment (Scan data)

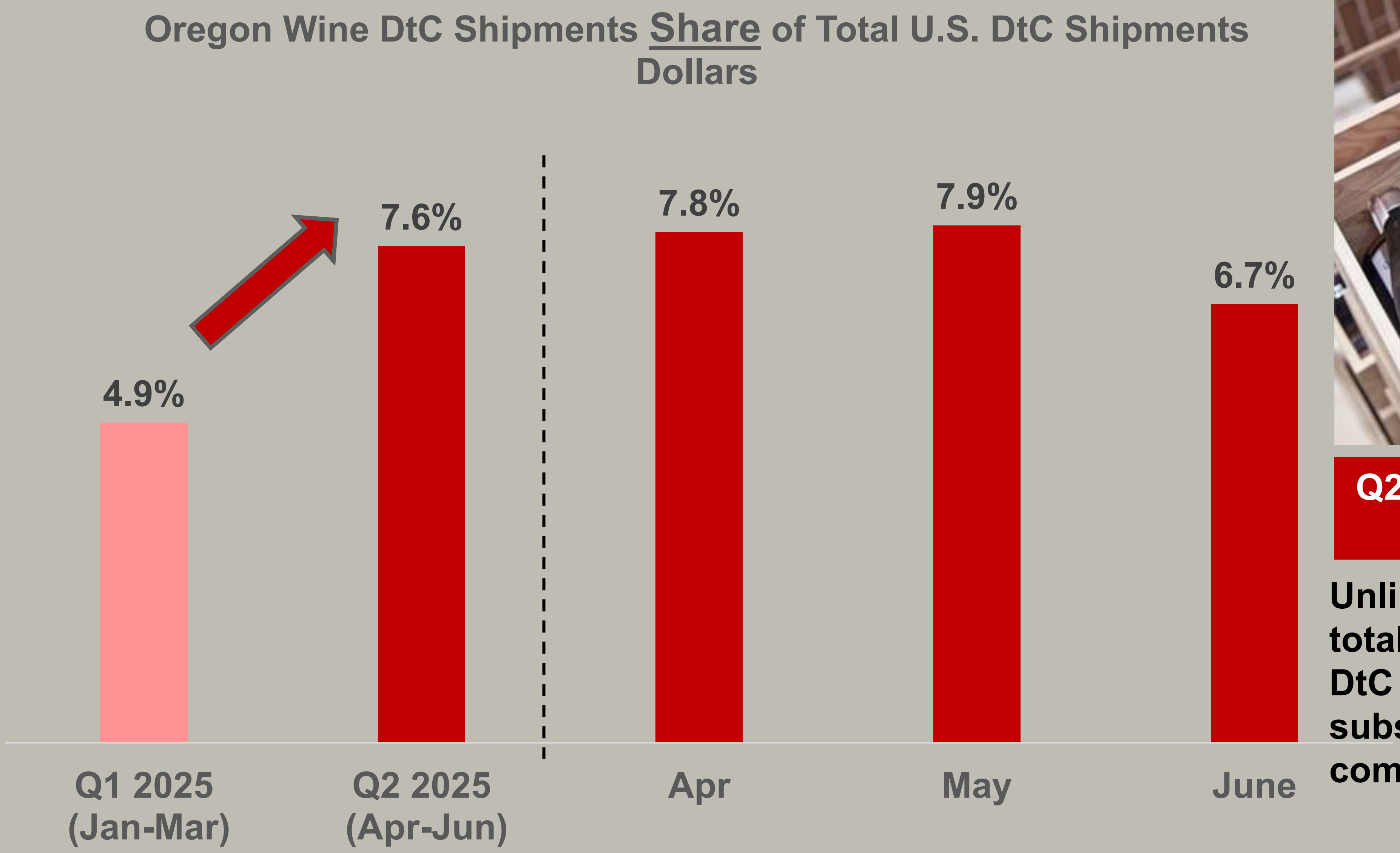
Sales: 12 wks promo period vs 12 wks pre-promo period pct change



OR wines share WITHIN Oregon increased from 19.0% pre-promotion period to 20.5% during the promotion period

Table + Sparkling Wine
NielsenIQ Scan xAOC Off-Premise (Dollars)
Pre-Promotion period (12 weeks); w.e 1/18/2025 thru 4/5/2025
Promotion period (13 weeks); w.e. 4/12/2025 thru 6/28/2025

OR Share Of Total Wine DtC Shipments Widened During Promo Period



Q2 2025 OR shipments +39% vs Q1 2025

Unlike DtC shipments for the total Wine category, OR Wine DtC shipments rose substantially in Q2 2025 compared to Q1 2025

DtC Shipments (Dollars)

WINE BUSINESS ANALYTICS

SOVOS ShipCompliant

or.

Consumer Drivers

1. What's right – for the specific drinking occasion – Occasion over Habit
2. Flavor forward
3. Importance of multi-cultural/diverse LDA's
4. Convenience seeking – what/where/how they buy
5. Wellness driven – for 'me' and 'we'
    - Social moderation (sessionability)/healthier lifestyles (but not always)
    - Sustainability/Planetary health
6. Seeking: 1) Transparency; 2) Experiences; 3) Authenticity
7. Open to experimentation – especially younger end
8. Genuine connections - Brands to today's Consumer
9. Meet consumers 'where they are', not just where you want them to be
10. Value – "Not" just about price, but watch out for Inflation

SUMMARY

- Demand environment a LOT tougher over the last few years than before
- Oregon Premium position stands out!
- Opportunities beyond our borders/tasting rooms – meet consumers where THEY ARE, but be choiceful/focused to make your investment pay off
    - <u>What</u> do you do well?
    - <u>Where</u> do you want to do it?
- Focus on your CORE business, but explore category growth segments
- Coming Together (Collectives) - even ACROSS Alcohol (BWS) is - smart
- Support OR Wine Promotion Month – it’s good for your state; it’s good for your business!!!

Thank You!!!

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