



*“We meet again,  
at the turn of the tide”*

Damon Runberg, Economist

business  
oregon.

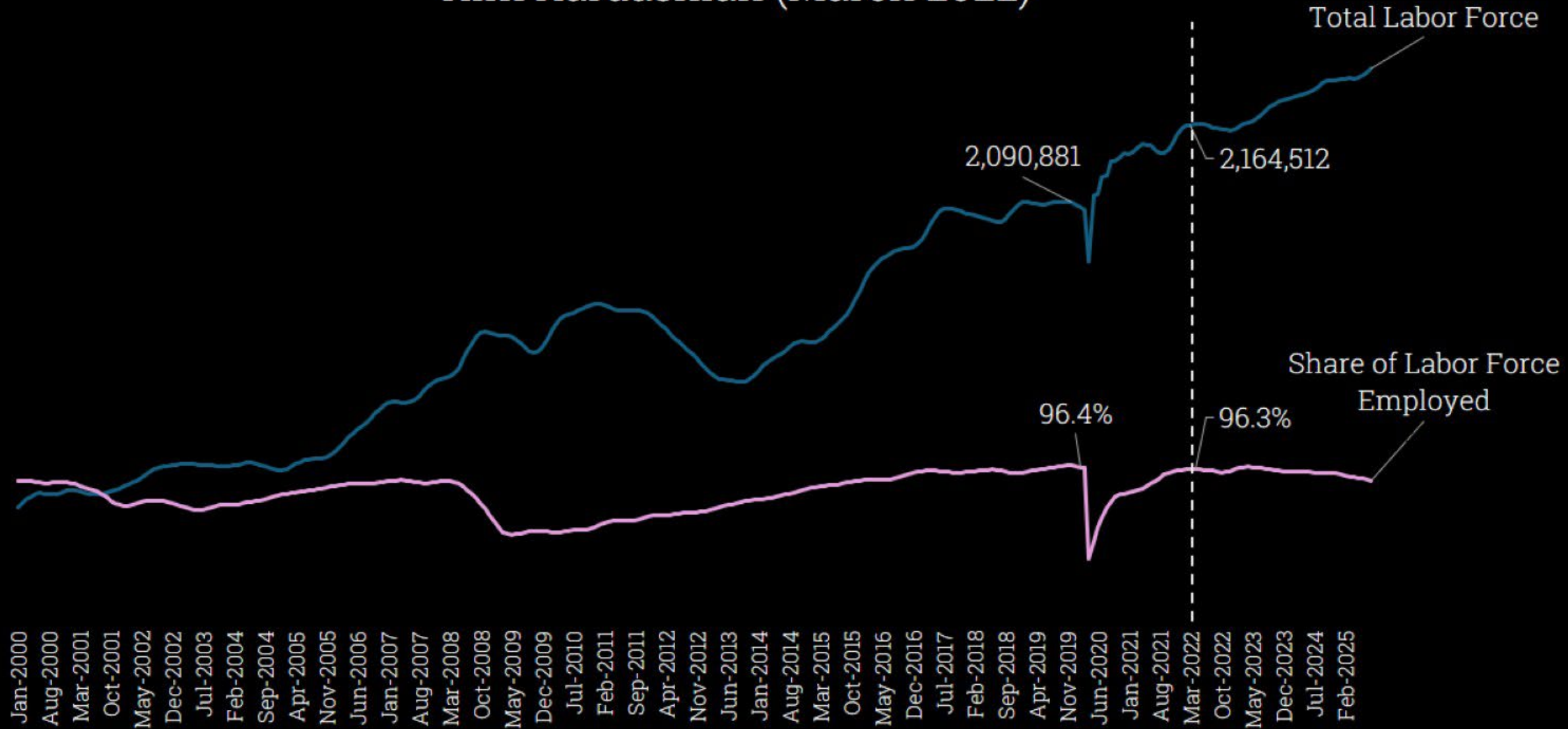


6.0  
SIXZERO

DOUBLE BLACK  
DIAMOND

*"...it seems like nobody wants to work these days"*

Kim Kardashian (March 2022)

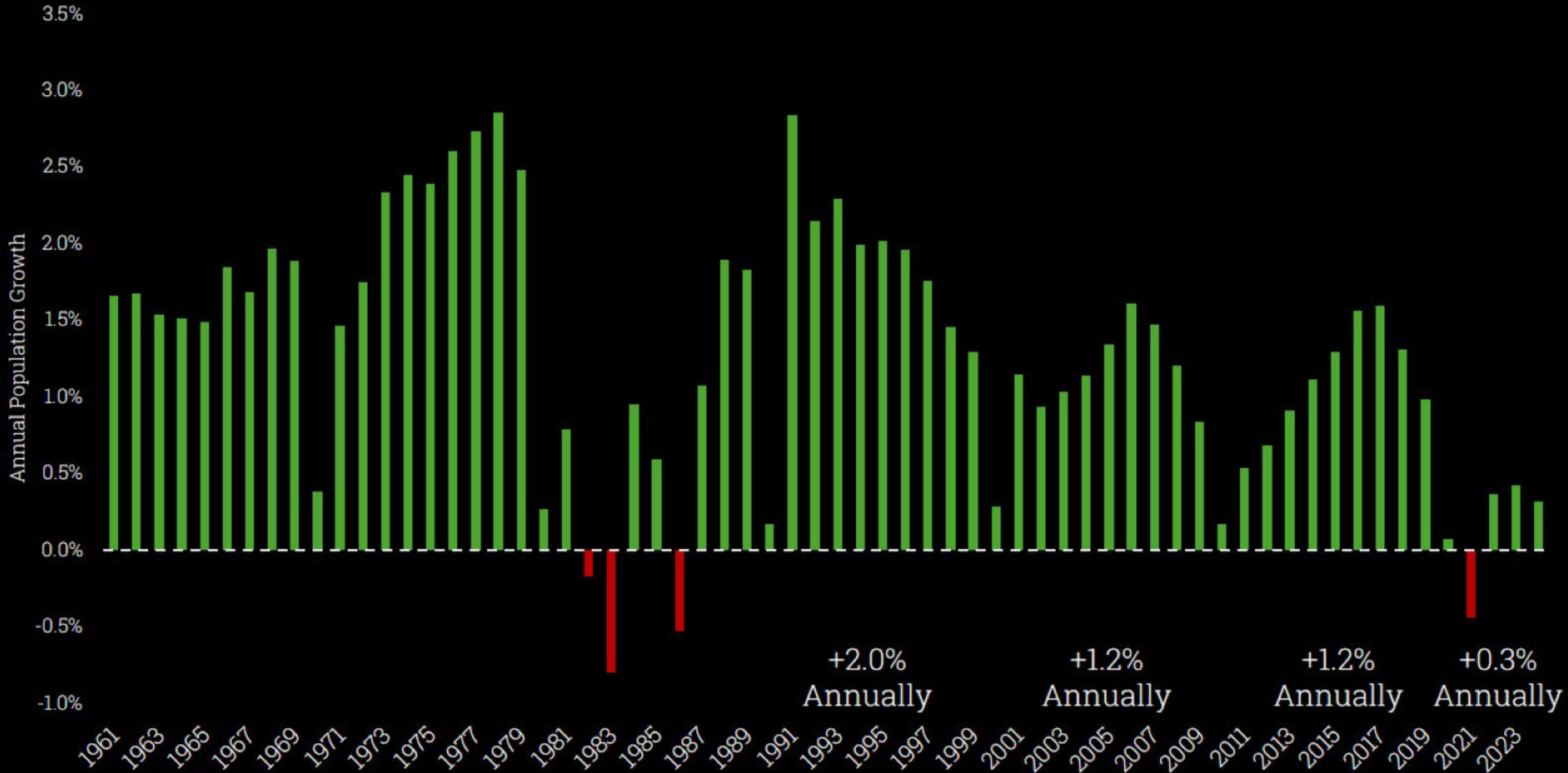




What shifts are  
happening that we have  
yet to recognize?

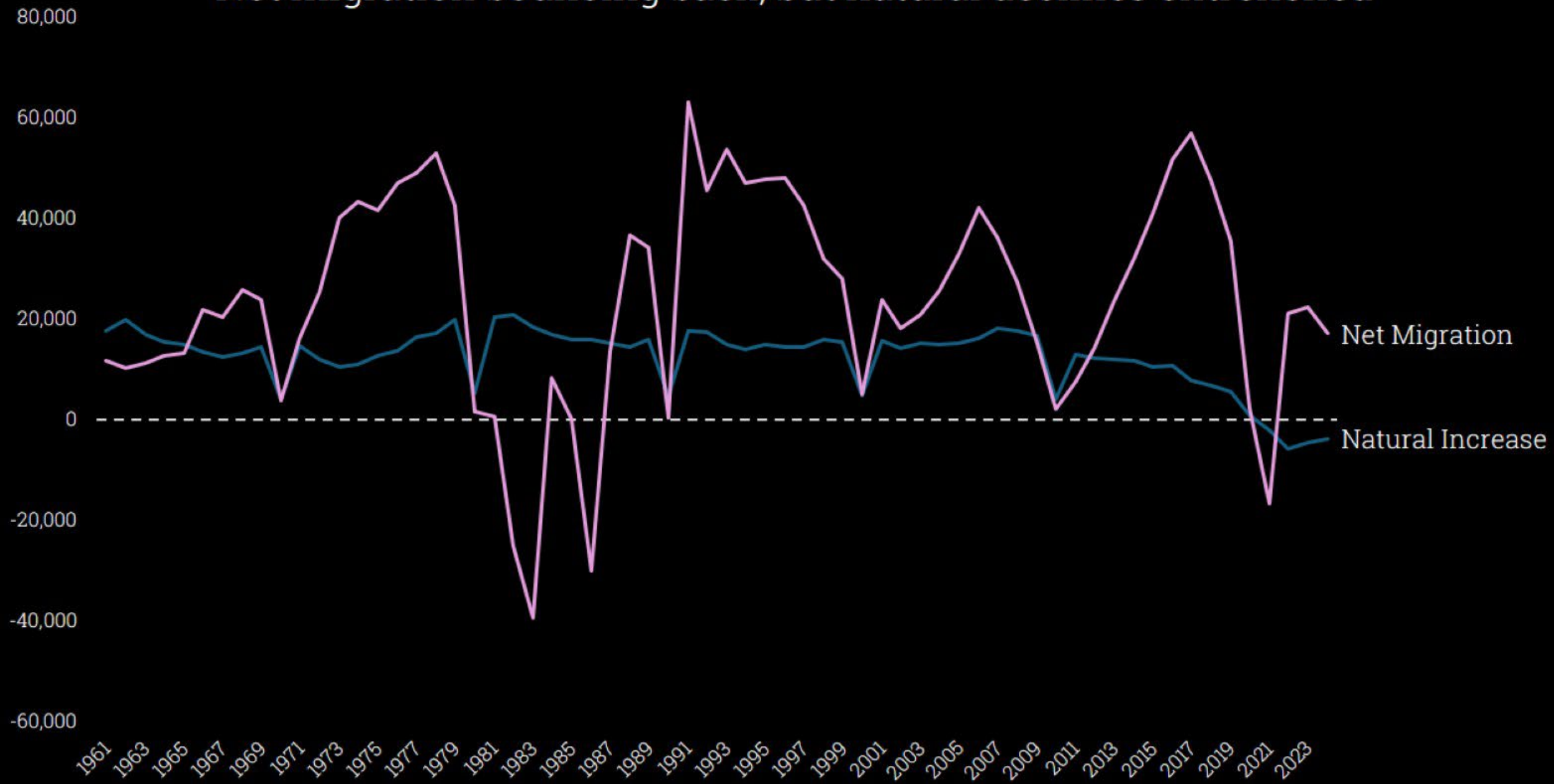
GROWTH

# *"Oregon's growth is unsustainable"*



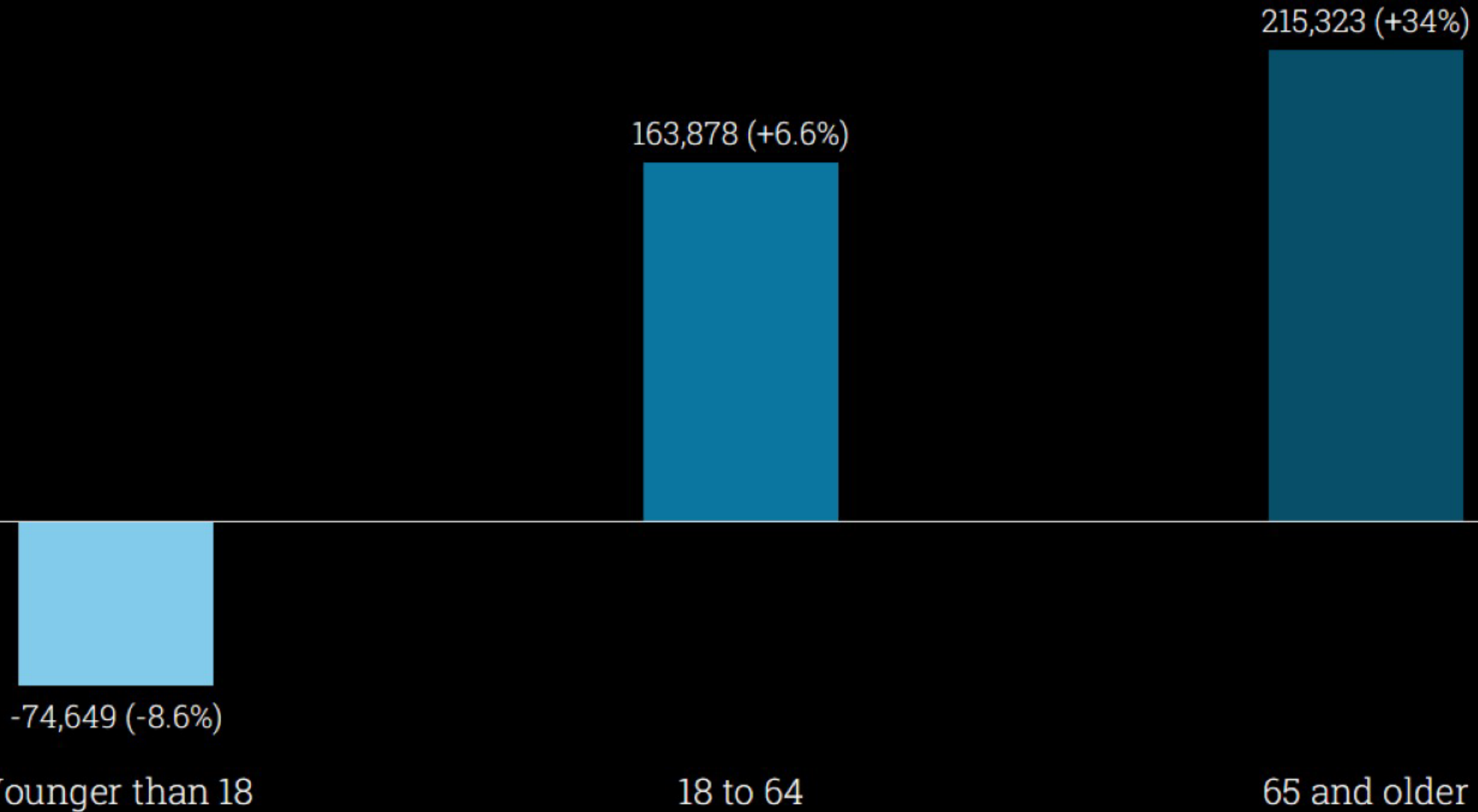
Source: Portland State University

# Net migration bouncing back, but natural declines entrenched

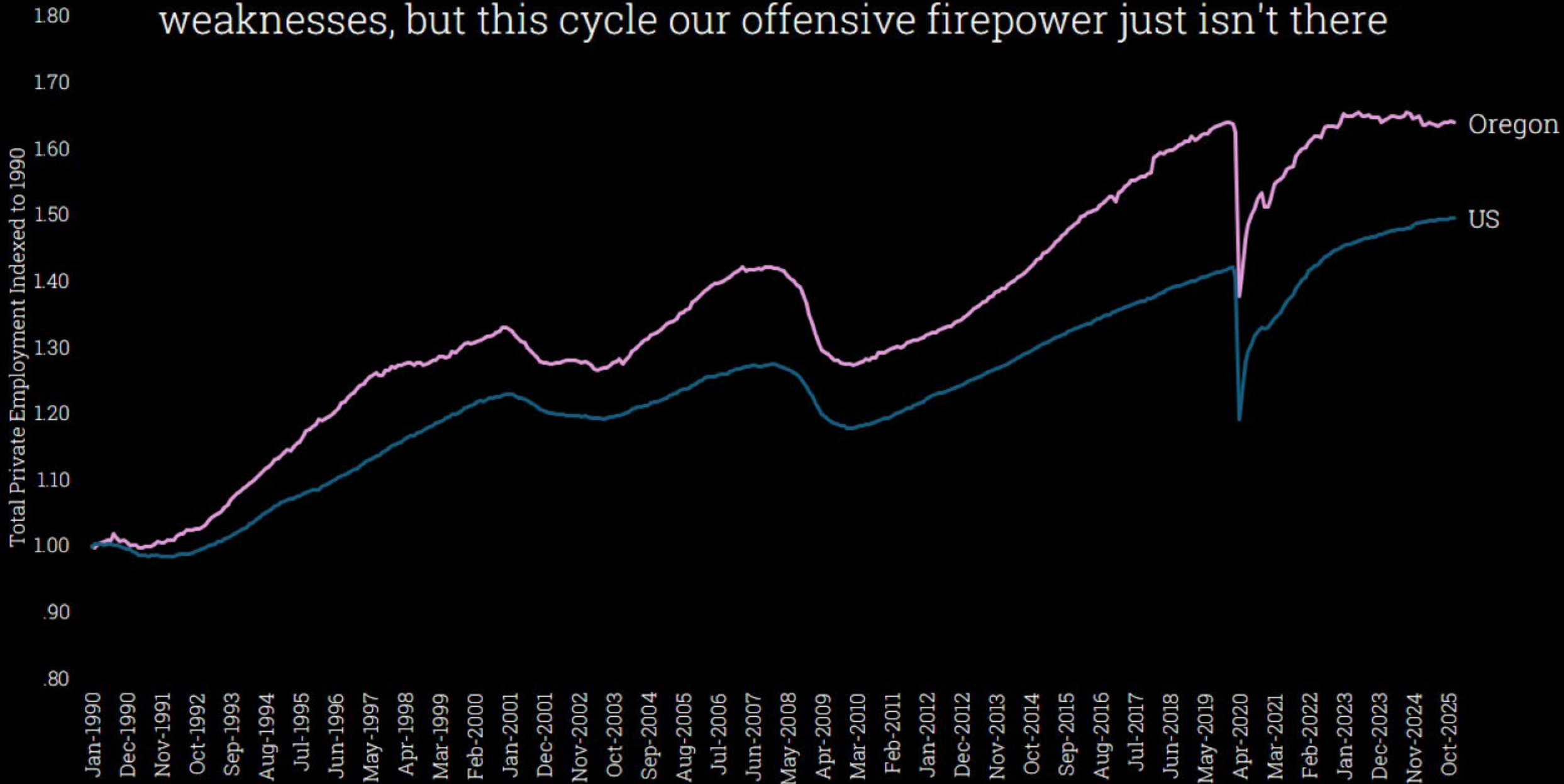


Source: Portland State University

# Fast growth in retirement age population and declines in the youth population (2014-2024)

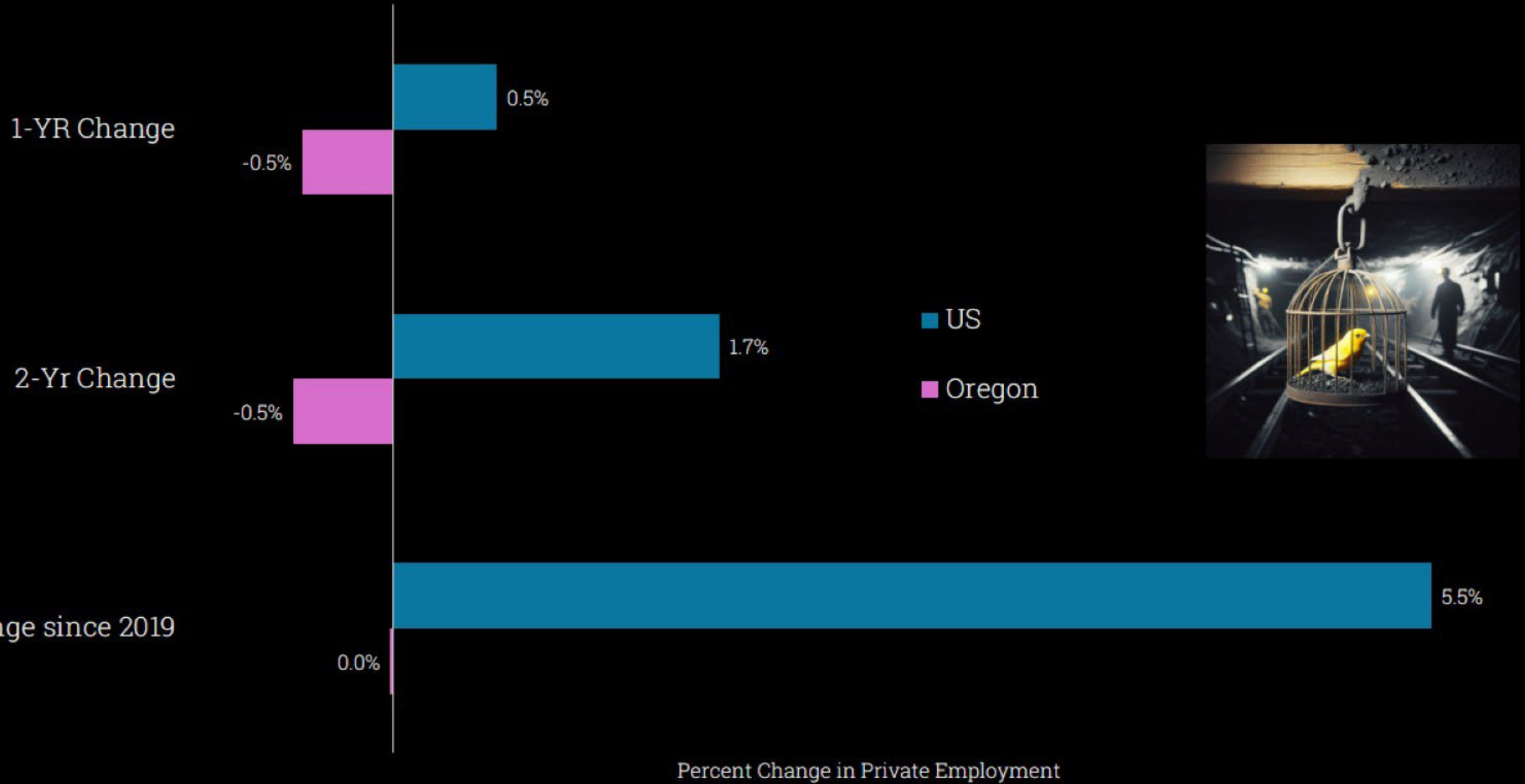


Oregon has relied on a high-powered offense to offset defensive weaknesses, but this cycle our offensive firepower just isn't there



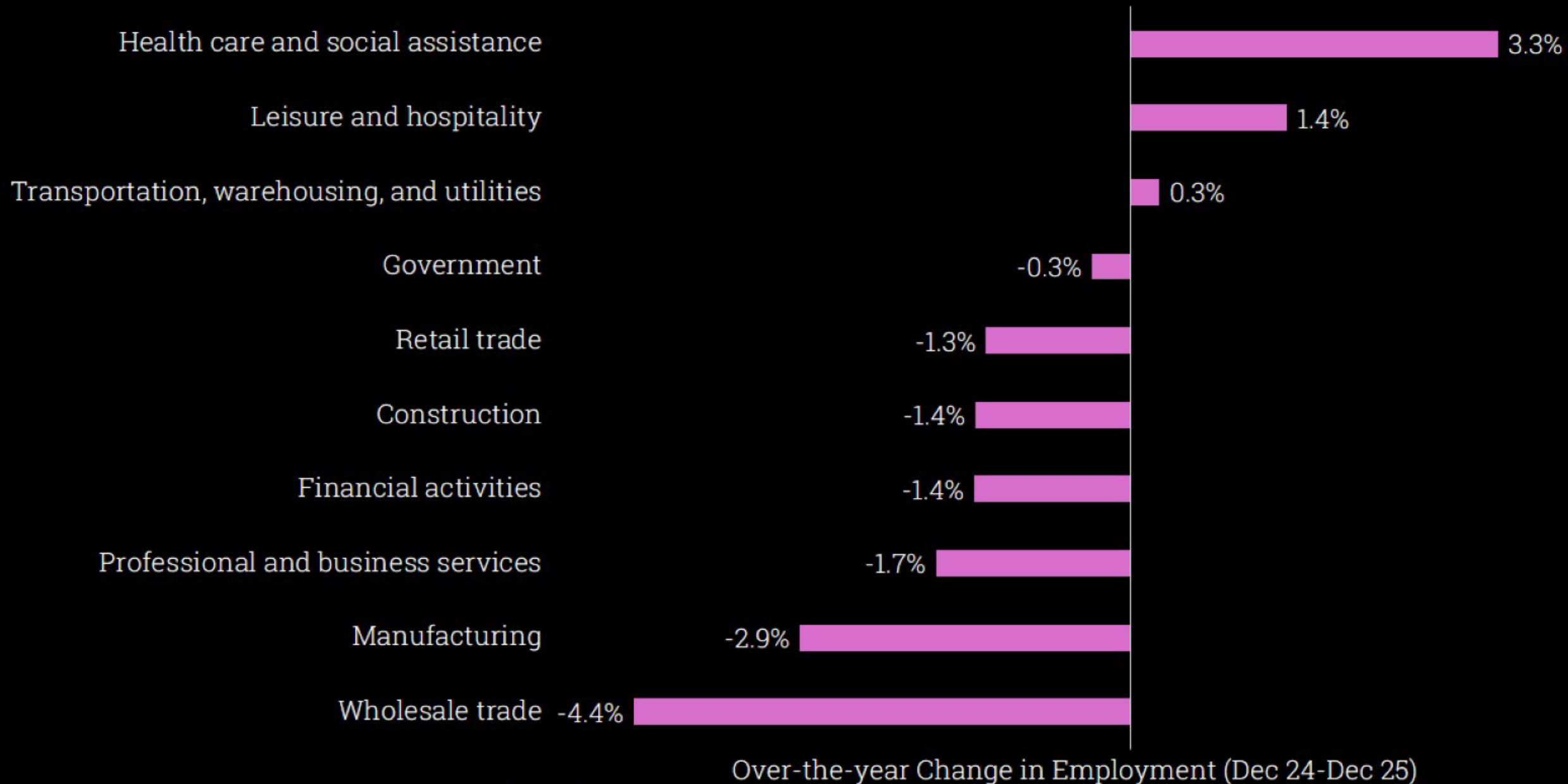
Source: Oregon Employment Department, Bureau of Labor Statistics

# Oregon is losing jobs while the US continues to grow at a slow pace



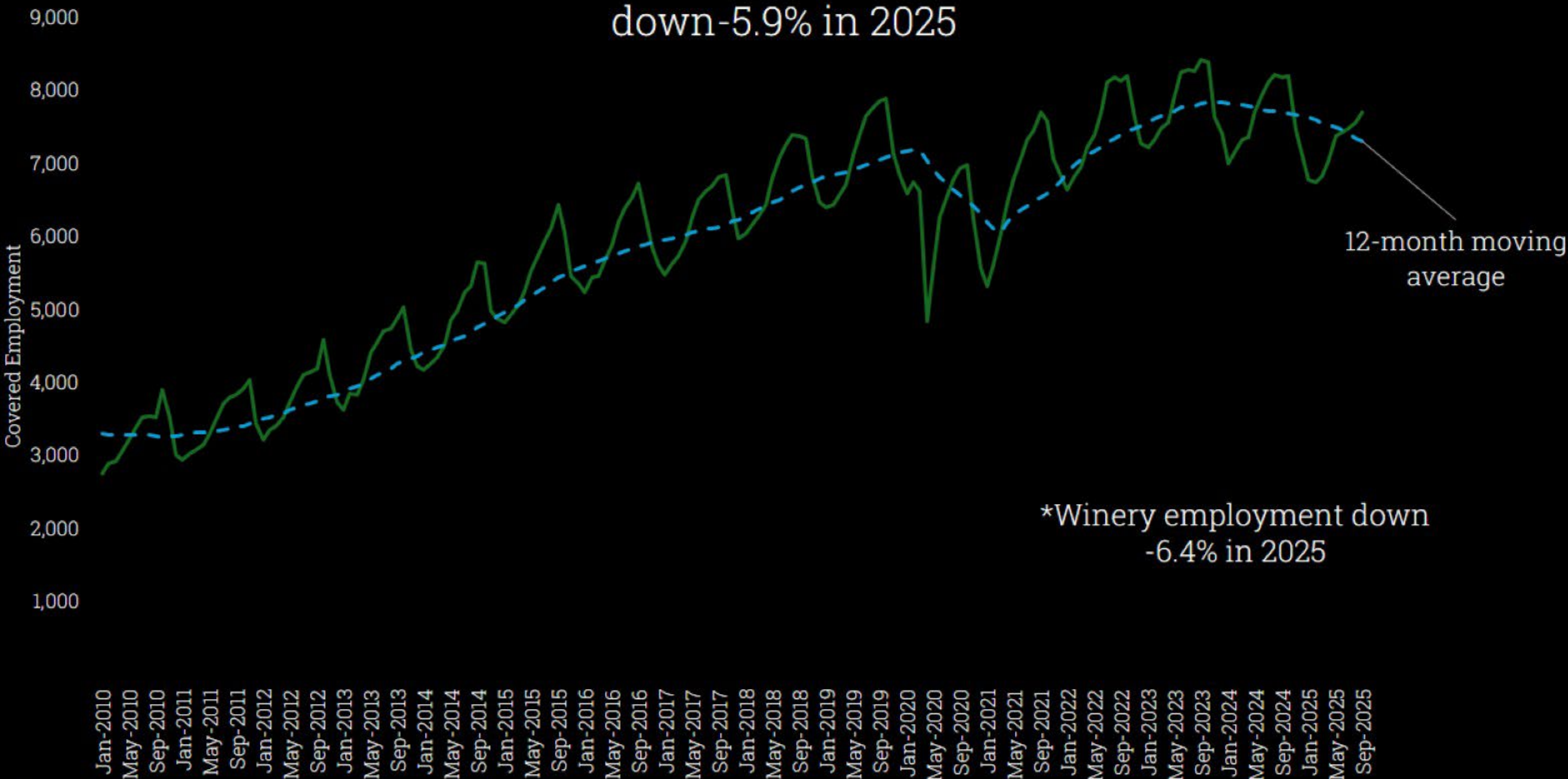
Source: Oregon Employment Department, Bureau of Labor Statistics

# Health care is masking the magnitude of the declines in Oregon

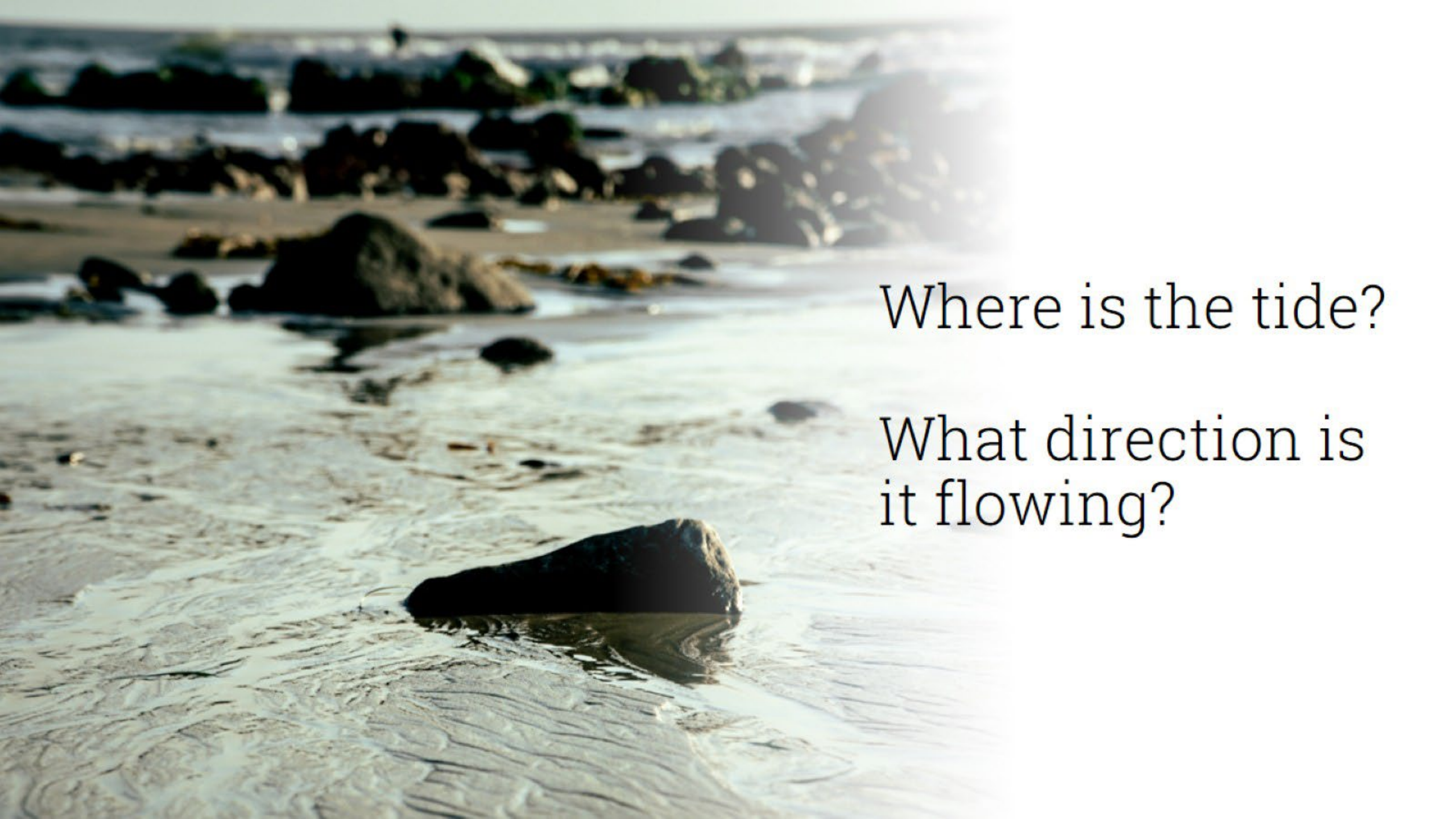


Source: Oregon Employment Department, Bureau of Labor Statistics

# Beverage manufacturing in Oregon slid back to 2019 levels, down-5.9% in 2025



Source: Oregon Employment Department, Bureau of Labor Statistics



Where is the tide?

What direction is  
it flowing?



# Oregon Wine Symposium

## Economic Impacts of Oregon Wine 2024

Robert Eyler, President, EFA, Inc.

PROGRAM  
PRODUCER

oregon  
wine BOARD

TRADE SHOW  
PRODUCER



Oregon  
Winegrowers  
ASSOCIATION EST 1981

**EFA**  
Economic Forensics & Analytics

# Overview

- Quick Macroeconomic Forecast: Context for Recovery and Renewal
- Economic Impacts of Oregon Wine 2024: PRELIMINARY
  - Vineyards
  - Wineries
  - Distribution/Wholesale
  - Retail
  - Restaurants and On-Premise
  - Tourism
  - Summary and the Future

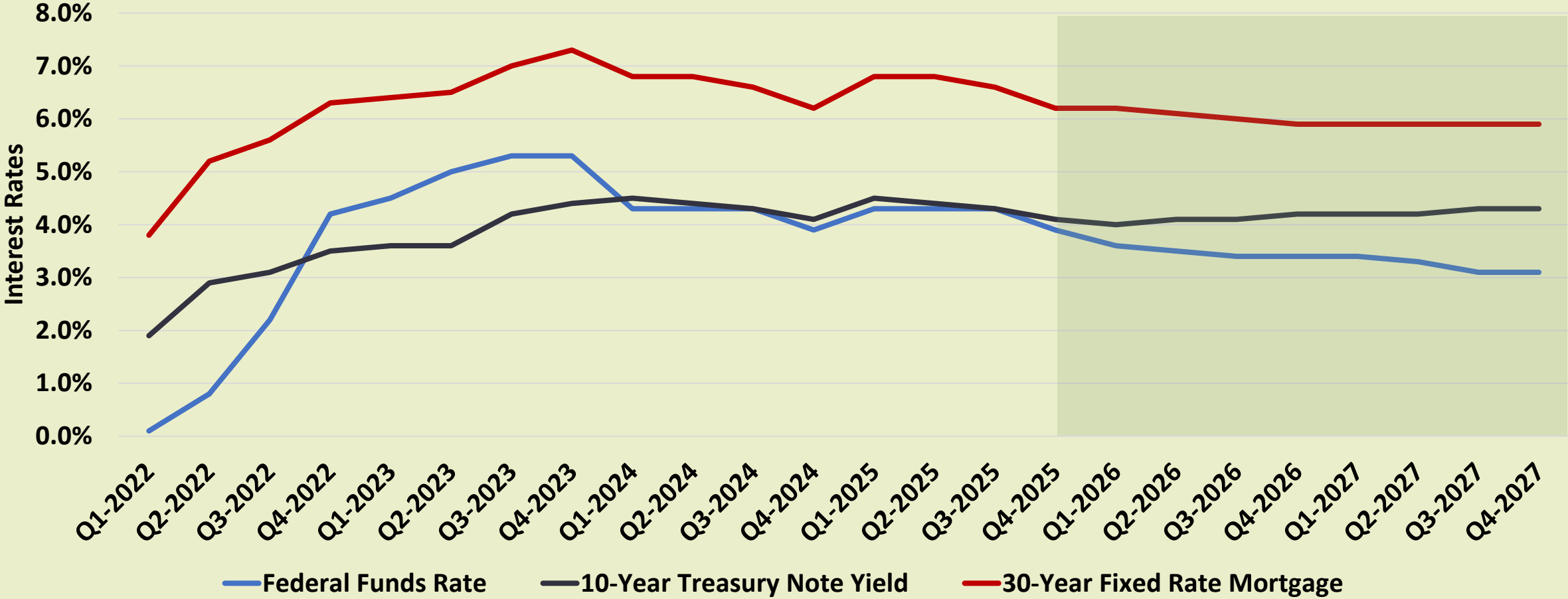
# US Macro Forecast

These data are from November 2025: Data from Q3 2025

**Bottom Line: No recession in forecast...yet  
(15% for 2026, less than previous quarter)**

	Real GDP (%)		Unemployment Rate (%)		Core PCE Inflation (%)	
	Previous	New	Previous	New	Previous	New
2025	1.7	1.9	4.2	4.2	3.0	2.9
2026	1.6	1.8	4.5	4.5	2.5	2.7
2027	2.1	2.1	4.4	4.4	2.1	2.3
2028	1.8	1.8	4.3	4.3	N/A	N/A

# Interest Rate Forecasts, Quarterly as of December 2025 to December 2027 Federal Funds, 10-Year Treasuries, 30 -Year Conforming Mortgage Rates

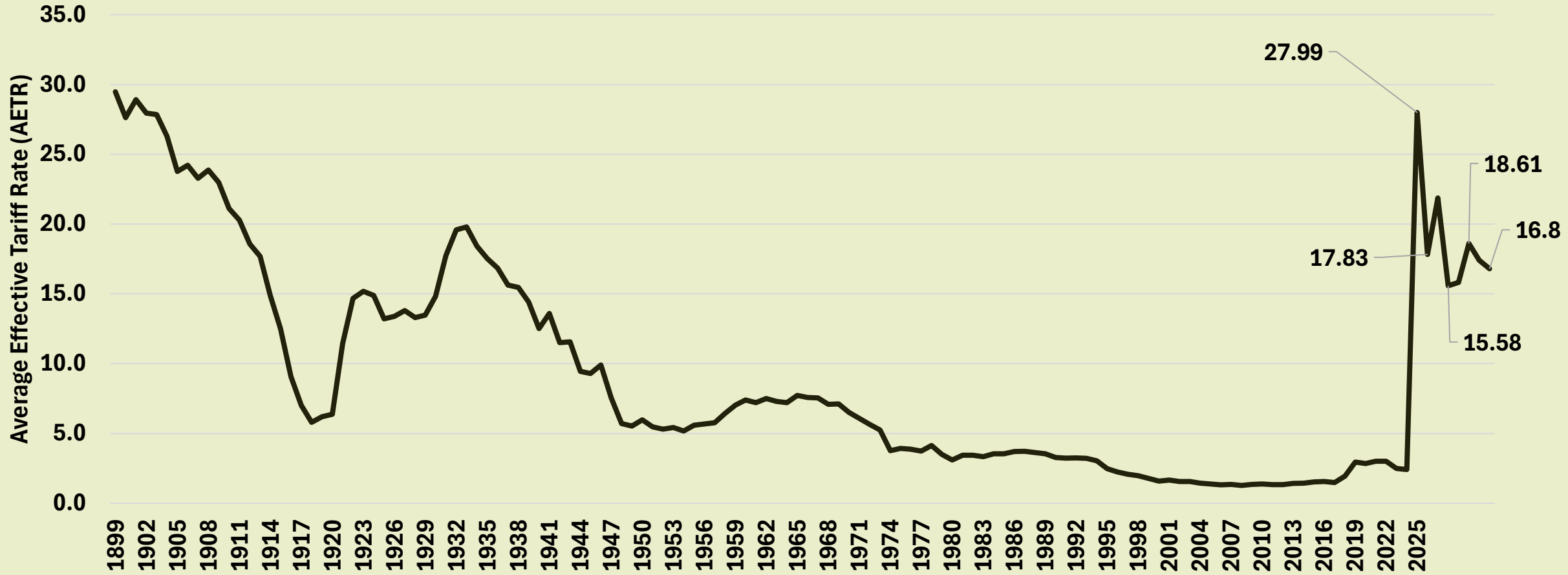


Source: Fannie Mae





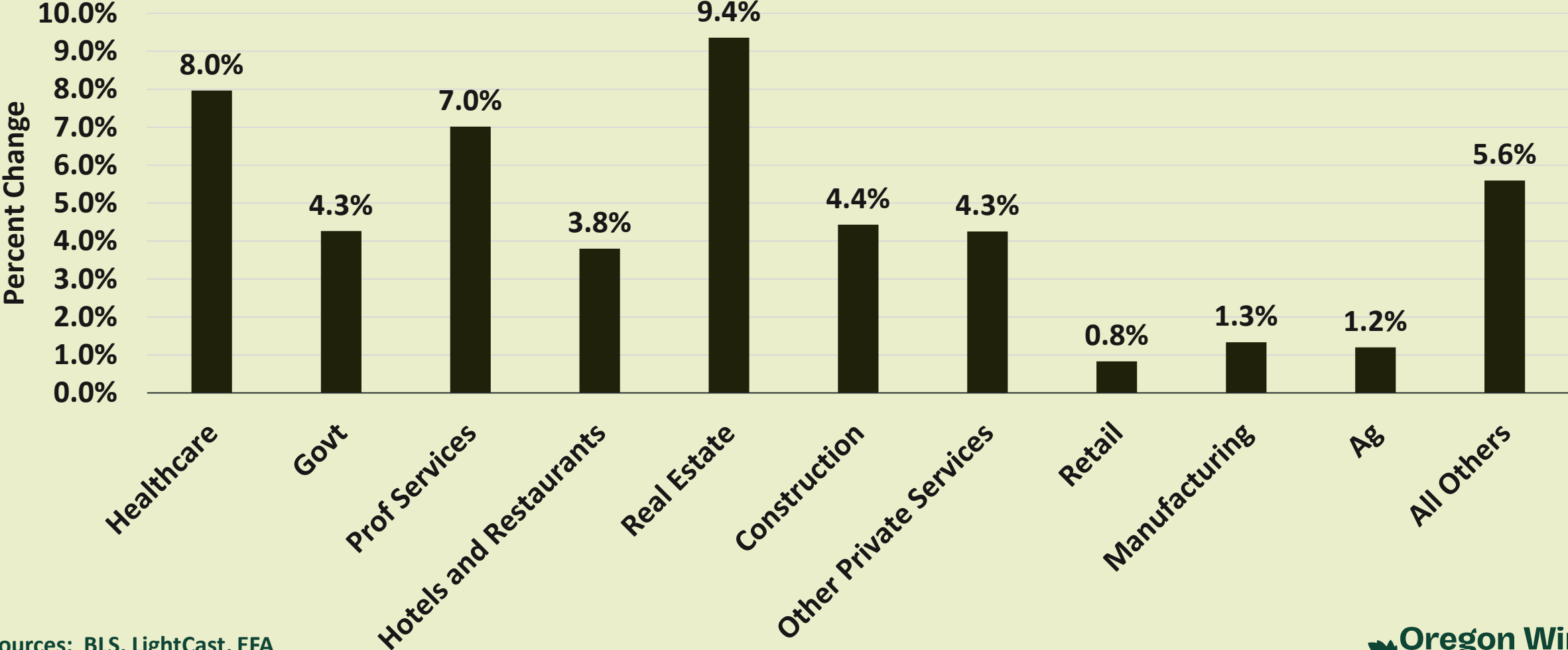
# Federal Policies: Tariffs, Changes Started on April 2, 2025 (through Jan 2, 2026)



Source: Budget Lab at Yale



# Oregon's Labor Market: 2025-2030, % Change Major Industry Employers (Size Descending)



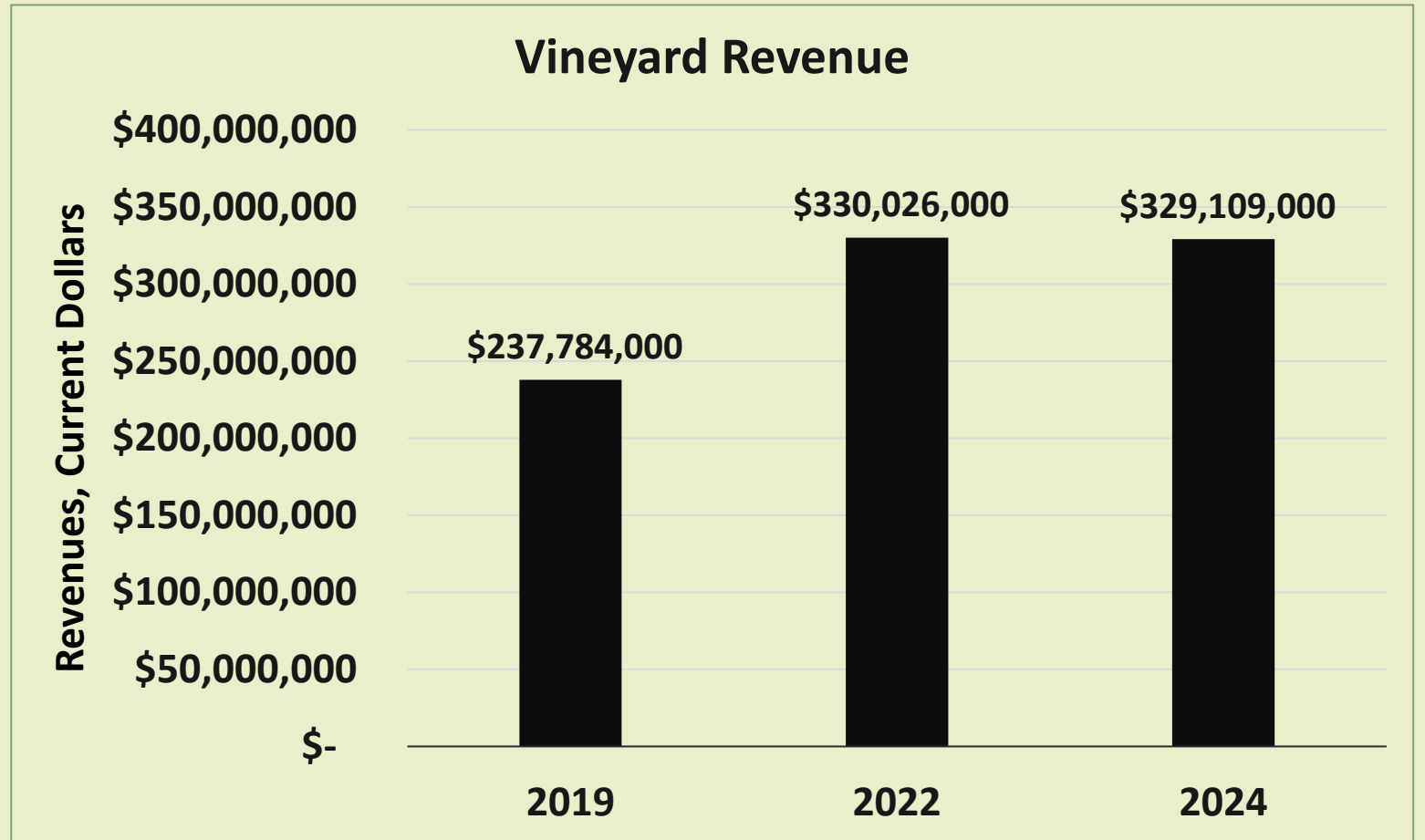
Sources: BLS, LightCast, EFA

# Vineyards: 2024 Economic Impact

- Revenues: \$329.1 million
- Jobs: 1,584
- Wages: \$69.2 million

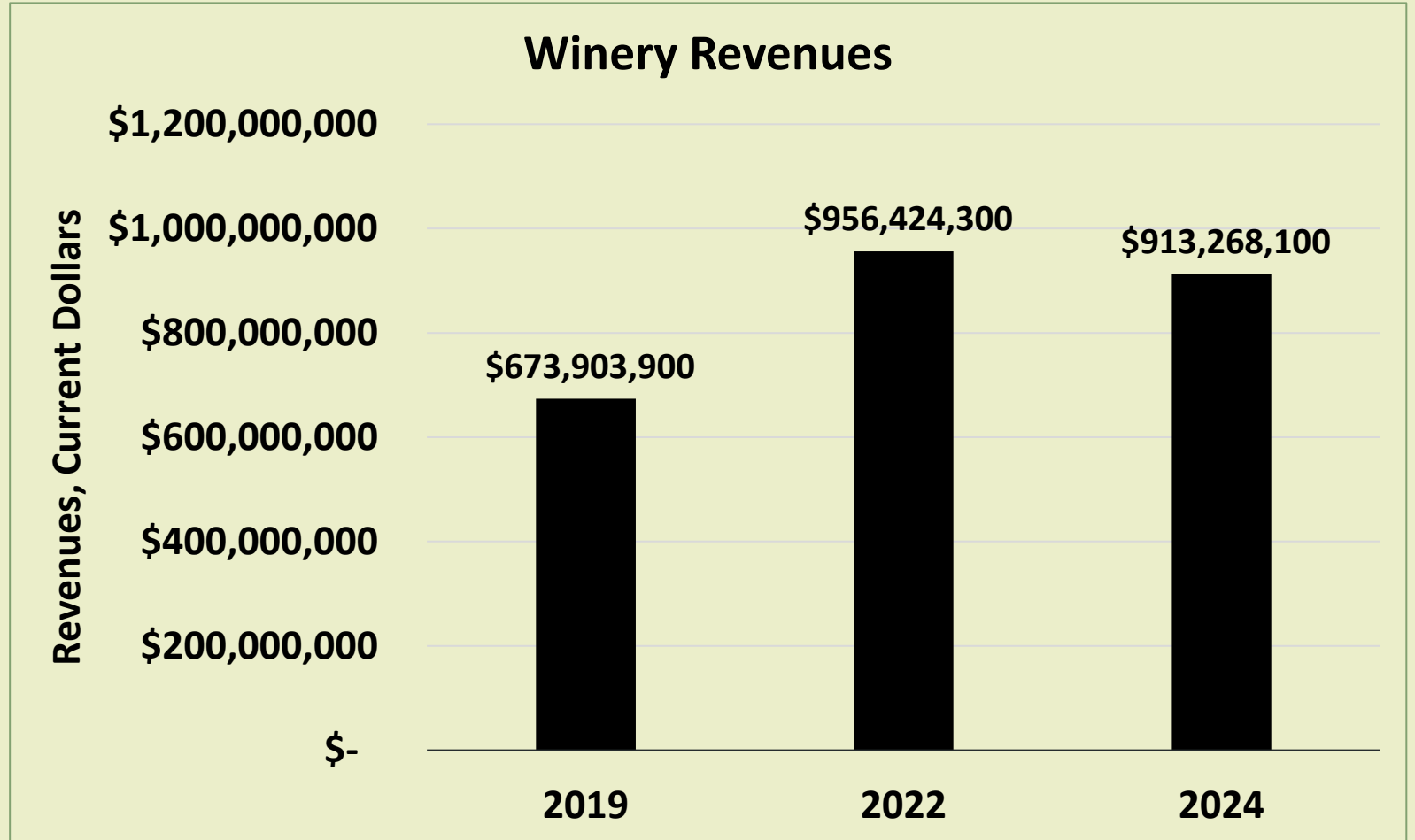
Vineyard management was down  
Vineyard development was flat

Sources: U of O, OWB



# Wineries

- Revenues: \$913.3 million
- Jobs: 4,146
- Wages: \$199.9 million

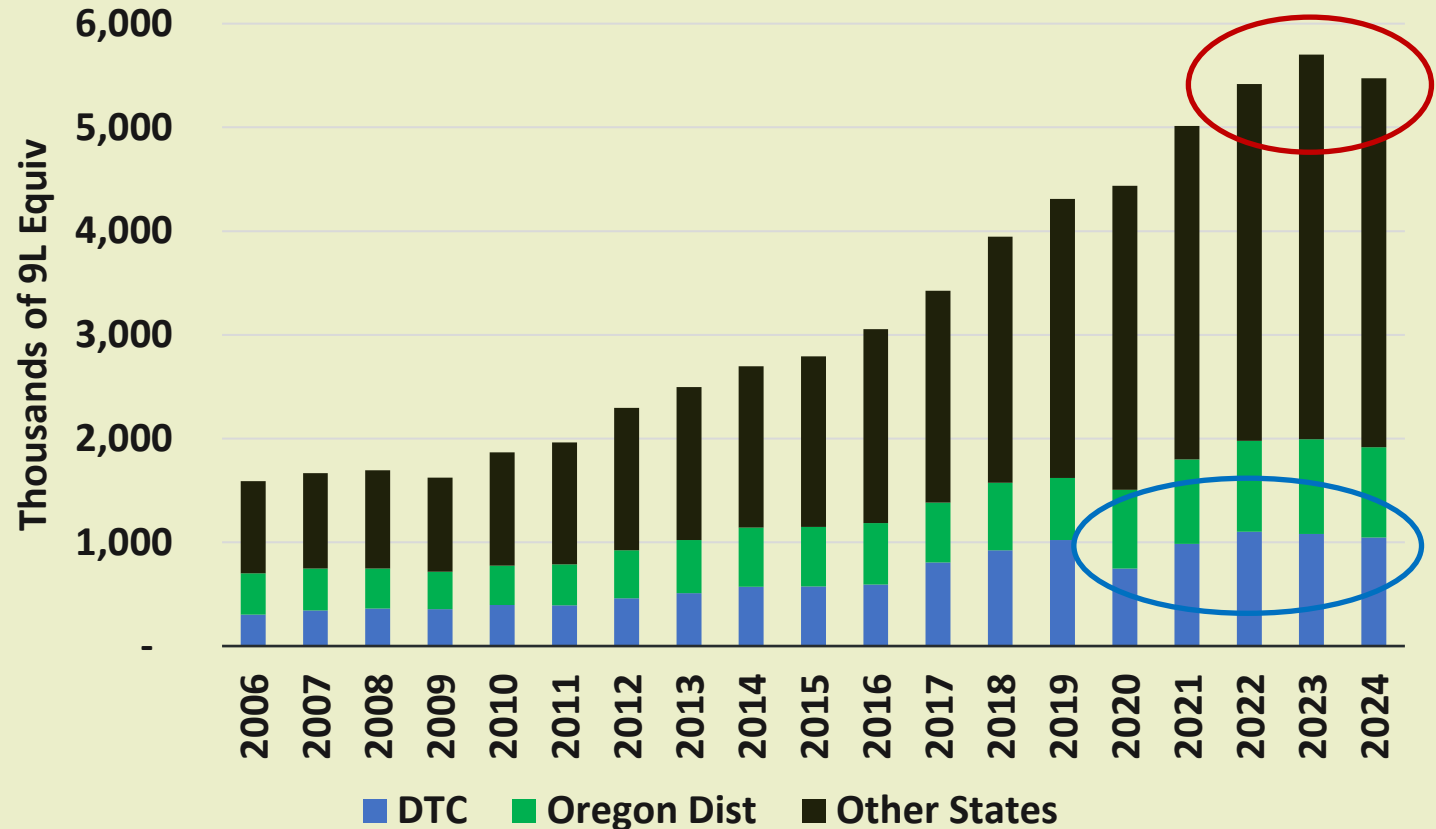


Sources: U of O, OWB

# Distribution/Wholesale

- Revenues: \$587.3 million
- Jobs: 339
- Wages: \$23.2 million
  
- Exports (other states and countries):
  - 2022 to 2024: +3.5% growth 9L
  - 2025 may be mixed given tariffs

Channel Sales: Thousands of 9L

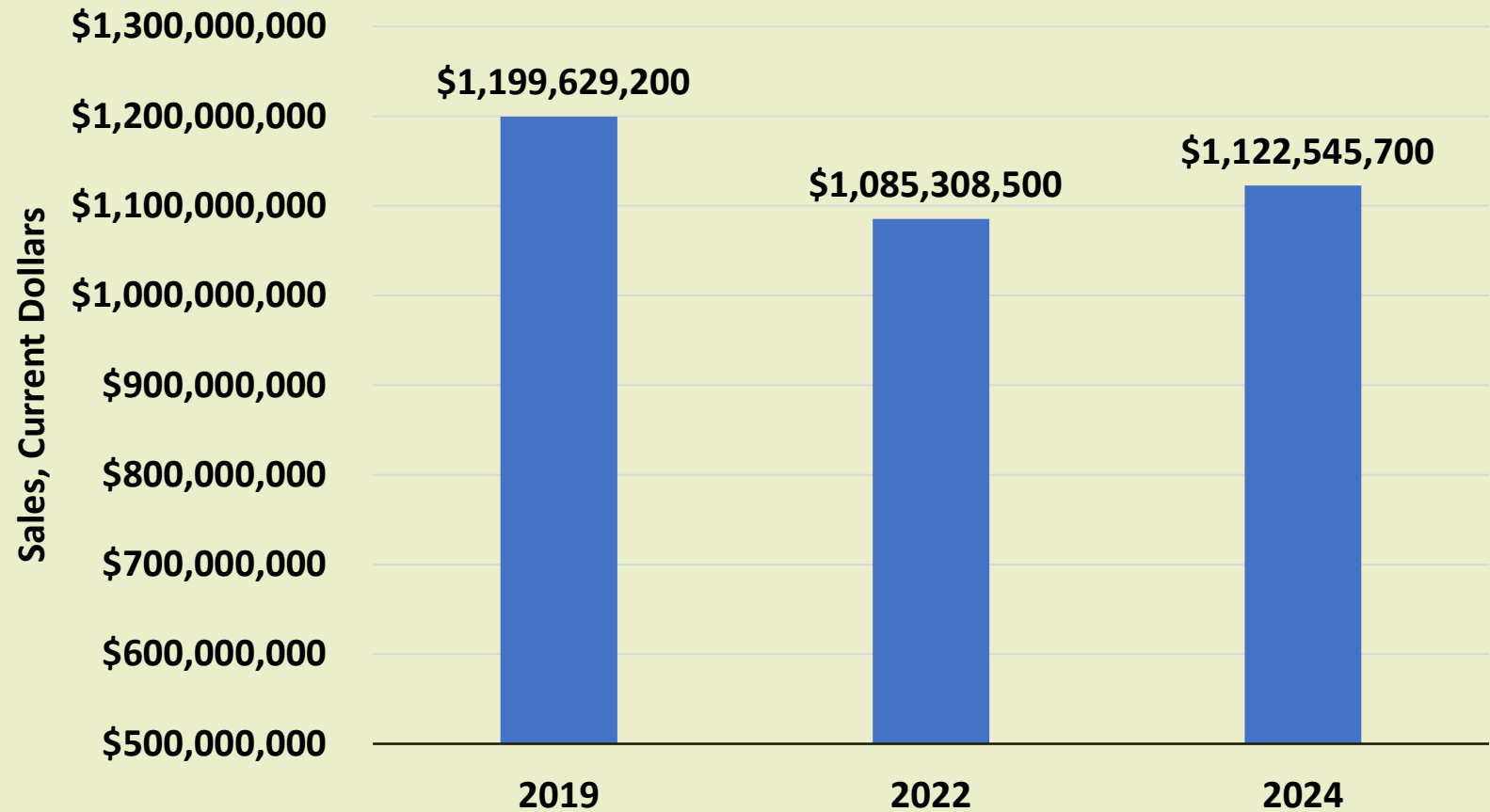


Sources: U of O, OWB

# Retail and Restaurant Sales

- Revenues: \$1.123 billion
- Jobs: 9,180
- Wages: \$304.2 million
  
- “Premiumization” has helped
- 2025 and 2026 plan for less

Off-Prem and On-Prem Sales



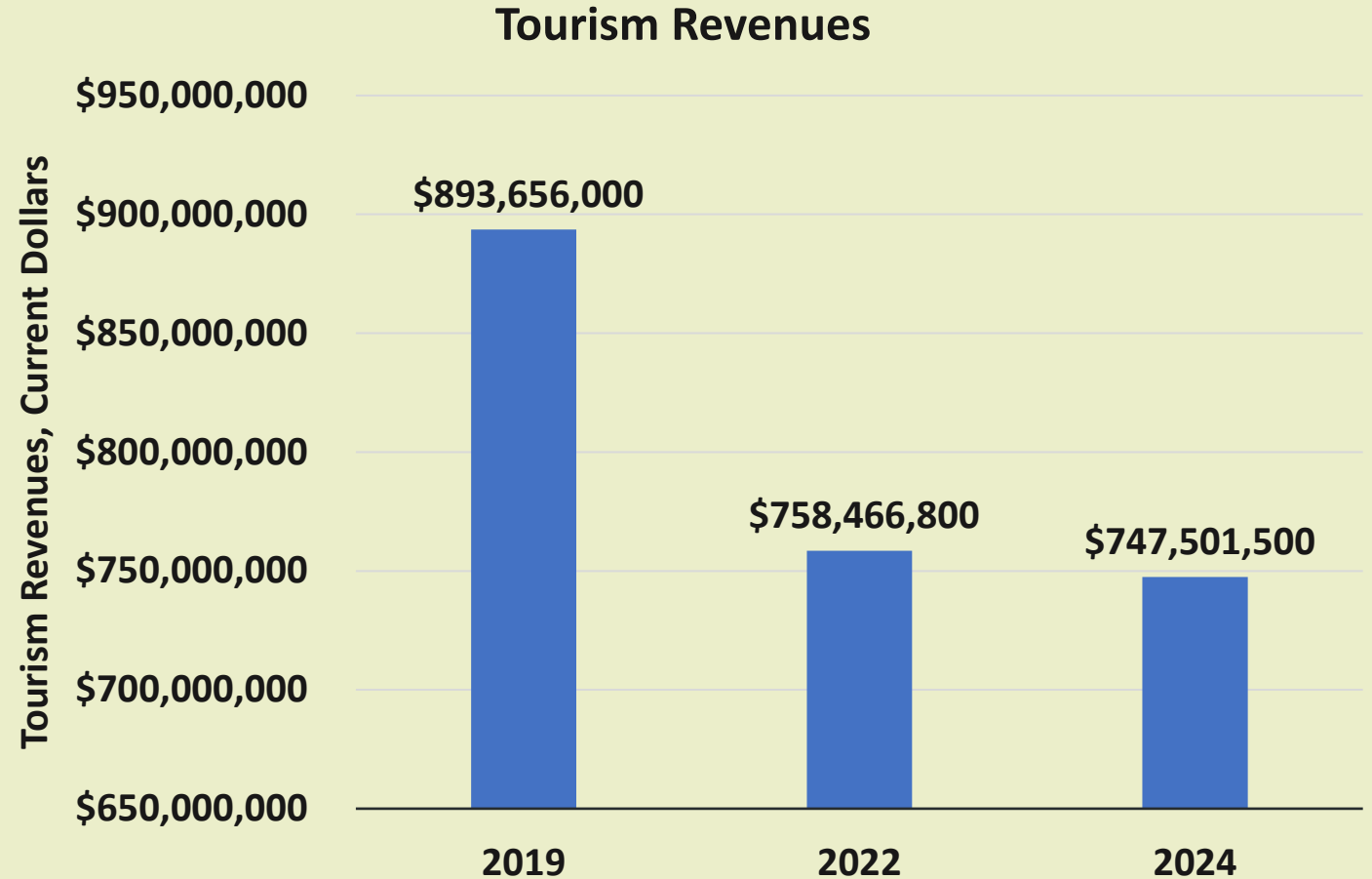
Sources: U of O, OWB, FGR, EFA

# Wine-Related Tourism

- Revenues: \$747 million
- Jobs: 6,585
- Wages: \$254 million
- 14% of OR visitors come to wineries
- DTC volume -5.2% 2022 to 2024

- Fires
- Competition
- Pandemic shadow remains
- 2025-26 less
  - (Canada and Europe tourism)

Sources: Dean Runyan, EFA

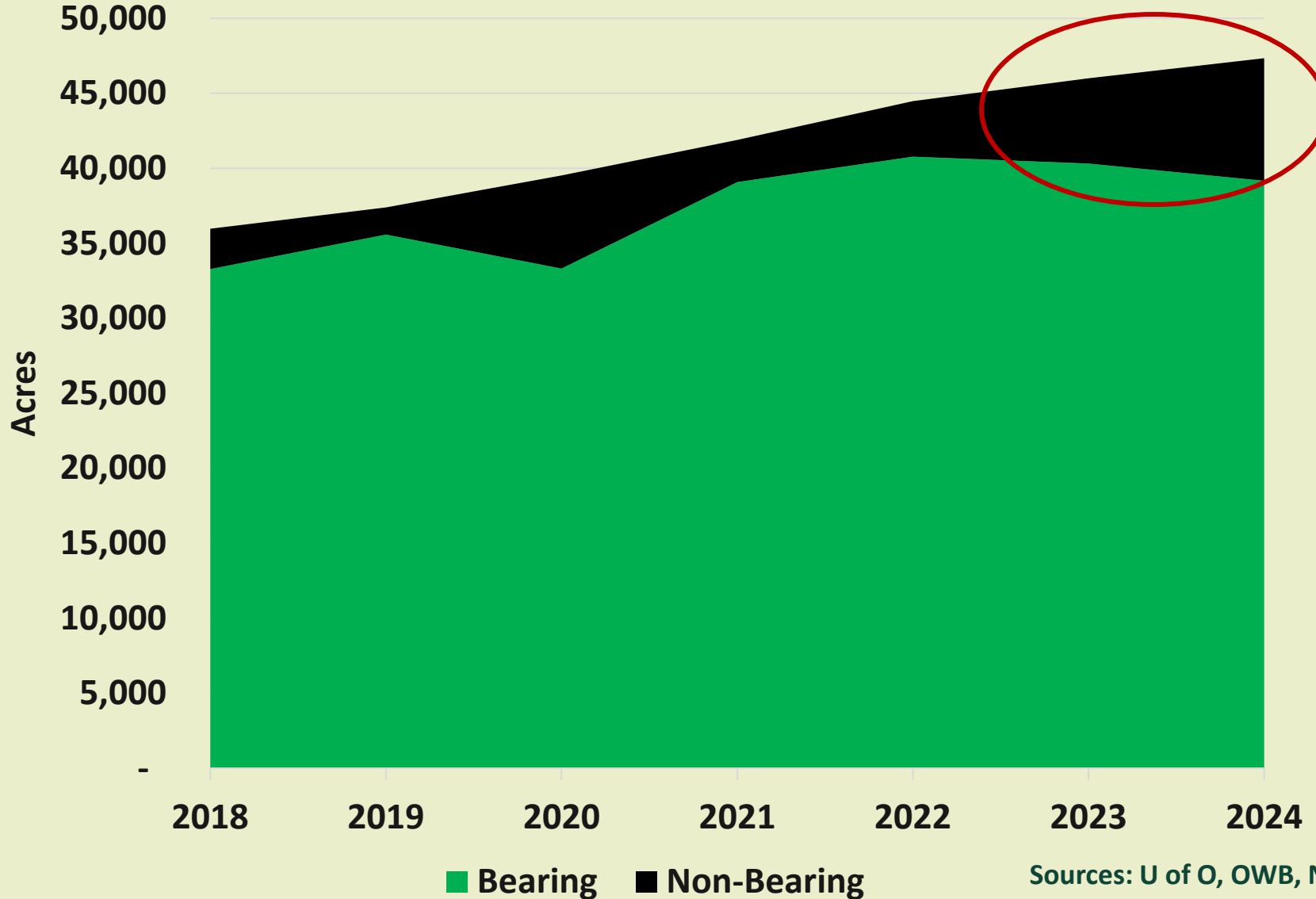


# Economic Impact of Oregon Wine, 2024

## Preliminary Data Summary

Revenue	Total Oregon 2022	Total Oregon 2024	2022 to 2024
Wine Grape Sales	\$ 330,026,000	<b>\$329,109,000</b>	↔
Winery Sales	\$ 956,424,300	<b>\$913,268,100</b>	↓
Distributor Sales	\$ 590,031,400	<b>\$587,343,200</b>	↔
Retailers and Restaurant Wine Sales	\$ 1,085,308,500	<b>\$1,122,545,700</b>	↑
Tourism	\$ 758,466,800	<b>\$747,501,500</b>	↔
Tax Revenues (includes estimation for property taxes)	\$ 264,898,700	<b>\$ 235,077,000</b>	↓
Wine Industry Indirect (Services and Suppliers)	\$ 1,183,898,600	<b>\$1,456,305,900</b>	↑
Wine Industry Induced Revenues - IMPLAN	\$ 1,132,629,300	<b>\$1,165,136,200</b>	↑
Revenue Totals	\$ 6,475,682,600	<b>\$6,591,980,000</b>	↔
Wages Paid	\$1,694,107,800	<b>\$1,701,734,600</b>	↔
<b>Total Economic Impact</b>	\$ 8,169,790,400	<b>\$8,293,714,600</b>	↑
<b>Jobs Supported</b>	39,437	<b>36,909</b>	↓

# 2025 and Beyond: Dirt to Glass



## Profitability issues

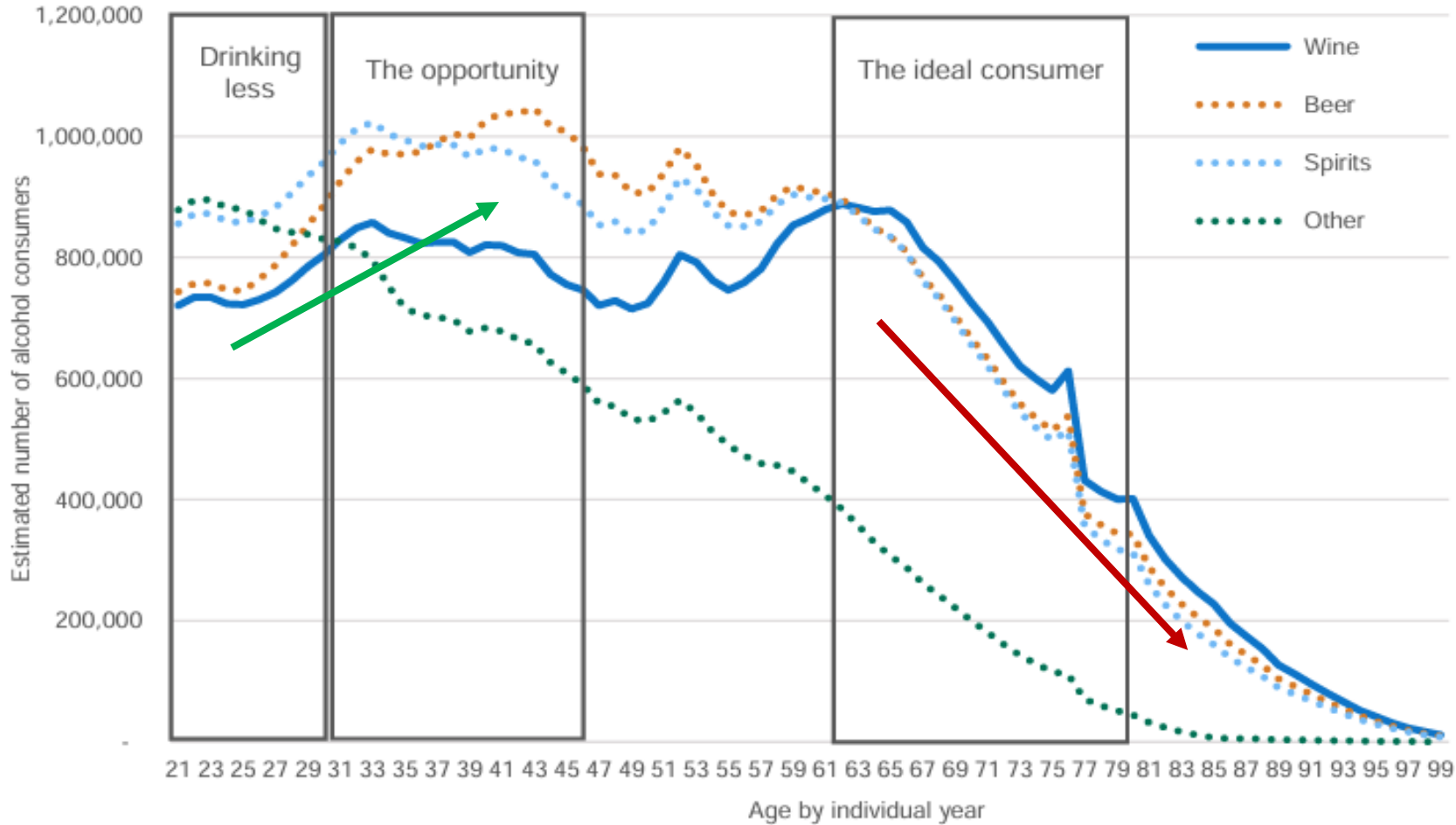
- Immigration policy
- Trade protections
- Ownership decisions
- Regional tourism and economic development

## Opportunities:

- Regional equipment manufacturing or purchasing
- Partnerships on revenue: allowing more events and packages

Sources: U of O, OWB, NASS

## Estimated consuming population by single age and alcohol preference



Source: SVB analysis and estimates

### Shifting demography

### Shifting tastes and preferences

**SVB report (Jan 2026):**  
more important is the  
change over time

### Opportunities:

- **Snapchat, Tik-Tok, Pickleball**
- **2x Down on Health**



# **Oregon Wine Industry Trends and Transactions Update**

—  
**2026**

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**BMO**  **Capital Markets®**

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- 1 / Wine Industry Trends**
- 2 / M&A Market Update**
- 3 / BMO Wine Industry Team**

# U.S. Trends Overview

*Challenging beverage alcohol consumption trends and macroeconomic conditions expected to continue through 2026*

<p><b>Consumption</b></p> <p>–</p> <p><i>Continues to Decline, but Getting Closer to the Bottom?</i></p>	<p><i>Wine consumption has been declining on a global basis for several years, aside from the 2020-21 pandemic-induced temporary spike</i></p> <ul style="list-style-type: none"> <li>Overall U.S. wine consumption continues to decline, with per capital consumption trending from a high of ~3.4 gallons per year in 2020 to a projected ~2.4 gallons per year by 2030</li> <li>Wine premiumization trends persist at a slower pace as consumers drink less, but spend more on wines priced above \$15 per bottle, reinforcing a <i>quality-over-volume</i> dynamic</li> <li>No-alcohol, cannabis and GLP-1 usage trends are impacting market share of wine and beverage alcohol categories</li> </ul>
<p><b>Supply</b></p> <p>–</p> <p><i>Working Through Excess Production</i></p>	<p><i>Supply imbalances remain, though inventory pressure is slightly easing due to two consecutive lighter grape harvests</i></p> <ul style="list-style-type: none"> <li>California expected to report second consecutive sub-2.8 million-ton harvest, while Washington and Oregon are navigating through strong quality harvests with significantly lower demand for grapes</li> <li>Declining wine sales trends have led wineries to reduce grape and bulk wine purchasing commitments</li> <li>Question remains whether recent lighter harvests will spur activity in dormant grape and bulk wine markets</li> </ul>
<p><b>Sales Channels</b></p> <p>–</p> <p><i>Imploding and Underperforming Three-Tier Channel</i></p>	<p><i>Wholesale sales channel flirting with chaos as a result of RNDC's financial struggles and distributors' continued practice of destocking wine inventory levels</i></p> <ul style="list-style-type: none"> <li>Second largest distributor RNDC's 2025 withdrawal from California and recent sale of franchise rights in seven other states to Reyes is destabilizing sales trends and calling into question company's long-term viability</li> <li>Emergence of formidable beer distributor Reyes is promising, but portends learning curve of several years before company masters distribution for wine accounts</li> <li>Direct-to-consumer (DTC) sales channel and tasting room traffic has slowed, but not necessarily at luxury wine level</li> </ul>
<p><b>Innovation &amp; Trends</b></p> <p>–</p> <p><i>No- and Low-Alcohol and Sweet Wines</i></p>	<p><i>Several brand innovations in ready-to-drink (RTD), sweet wine, and no-alcohol and low-alcohol products are engaging younger consumers, although industry remains skeptical about longer term viability of no- and low-alcohol category</i></p> <ul style="list-style-type: none"> <li>Innovation continues to reshape the category; low- and no-alcohol wines surged nearly 30%, sweetened and flavored wines gained traction, and wine-based cocktails grew sharply, led by brands like BeatBox and Stella Rosa</li> <li>Favorable white wine consumption trends perhaps due to perception of being lighter and healthier varietal alternative</li> <li>Sparkling wine is outperforming still wine, supported by celebratory occasions and the spritz trend, though growth has moderated in comparison to prior years</li> </ul>

# Oregon Trends Overview

*Oregon is enduring severe and lengthy economic downcycle, but to lesser extremes than other wine regions due to its smaller size*

## Oregon Comparative Market Trends

—  
*Strong Headwinds, but Signs of Resiliency*

*Oregon wine sales and retail bottle prices are experiencing declines, but less so than other U.S. wine regions due to its smaller size and more premium positions in the Pinot Noir and Chardonnay varietal categories*

- Within the ~\$19.0 billion U.S. wine market, California is the dominant producer and represents >83% of overall wine sales, while Oregon accounts for only ~2%
- Yet, the average retail bottle price of Oregon wine is ~18% higher than California and ~26% higher than Washington
- Also, Oregon is more reliant upon DTC sales because of the significantly lower volume of wine produced in the state

## Supply

—  
*Navigating Excess Market Cycle*

*Even though Oregon is a smaller market, slowing consumer sales are creating a backup in cased goods inventories and an oversupply of grapes and bulk wine*

- Oregon planted vineyard acreage has more than doubled since 2012 to current level of ~47,000 acres, with annual grape yields almost tripling to ~130,000 tons
- Grape pricing and custom wine production continues to soften as the downcycle becomes more pronounced
- Anticipate more severe downward pricing pressure as vineyards and processors begin to lose contracts during prolonged oversupply cycle

## Sales Channel

—  
*Severe Challenges in Wholesale Channel*

*Mid-tier priced wines have remained resilient in midst of declining overall wine sales*

- Mid-tier price segments are showing resilience; Oregon table wines priced between \$13 and \$16 are up ~2% Year-over-Year (YoY), outperforming broader U.S. price segment
- Although Oregon maintains a premium price position versus peers, \$16 to \$20 segment declined ~13%, while \$20 to \$30 price segment declined ~8%, reflecting consumer trade-down behavior similar to past economic downturns
- DTC sales strengthened for few growth-oriented wineries, with 38% of wineries growing revenues in June 2025 YTD and top performers reaching ~12.5% revenue growth

## Varietal Analysis

—  
*Core Brands Managing Best*

*Meaningful sales volume continues to be generated by Pinot Noir and Pinot Gris varietals, however, interest and curiosity in exploring luxury category of Chardonnay and sparkling wine varietals*

- Two largest Oregon brands, A to Z and Erath, owned by private equity firm Sycamore Partners, represent ~37% of Oregon's annual wine sales
- While a small category, Chardonnay is growing in popularity due to improved growing conditions and wine quality, as well as ability to generate significantly higher retail bottle price-points than Pinot Gris
- Some smaller producers are looking to distinguish themselves by adopting sparkling wine programs

# Macro U.S. M&A Overview

*Merger and acquisition market activity has been subdued since 2023 due to challenging wine industry environment*

<p><b>Current M&amp;A Transaction Environment</b> – <b>Challenges Mimic Industry Trends</b></p>	<p><i>Declining wine consumption compounded by higher interest rate, inflationary and tariff environment has had limiting effect on structuring transactions</i></p> <ul style="list-style-type: none"> <li>Majority of closed transactions and pending opportunities are motivated by financial duress, or purchasers' desire to acquire brand outlet for excess grapes and bulk wine</li> <li>Distractions from challenges in sales channels, managing operating expenses and navigating tricky interest rate and economic landscape are common themes amongst sidelined purchasers</li> <li>Larger strategic wineries are evaluating divestiture of non-core assets, while second-tier producers remain hesitant to make acquisitions unless opportunities are overwhelmingly compelling and de-risked</li> </ul>
<p><b>U.S. Strategic Buyers</b> – <b>Few and Targeted Transactions</b></p>	<p><i>Few wineries have been seizing market opportunity to expand wine portfolios during current downcycle</i></p> <ul style="list-style-type: none"> <li>The Wine Group's acquisition of portion of Constellation Brands' wine portfolio in June 2025 and Trinchero's pending acquisition of Mumm Napa signal opportunistic round of industry consolidation</li> <li>Sale of Ste. Michelle Wine Estates to large processor / grower in Pacific Northwest anticipated to accelerate rebound of Washington wine industry</li> <li>Emphasis being placed on acquiring wine portfolios in order to achieve market share expansion, relevance with retailers, and as a means of depleting excess bulk wine inventories</li> </ul>
<p><b>International Strategic Buyers</b> – <b>Largely Absent in Midst of Trade Tensions</b></p>	<p><i>Global wine market headwinds and volatile trade tensions are forestalling timing for investments in U.S.</i></p> <ul style="list-style-type: none"> <li>Several international markets (e.g., Bordeaux) are under severe stress from global wine industry downcycle, making timing for investment in U.S. challenging</li> <li>Investment activity remains clouded by geopolitical concerns (e.g., Ukraine conflict) and strains in international trade relations (i.e., imposition / escalation of tariffs)</li> <li>However, trend of weakening U.S. Dollar may make investment in U.S. assets more attractive and compelling</li> </ul>
<p><b>Financial / Private Equity Investors</b> – <b>Cautious Due to Market Environment</b></p>	<p><i>Lack of confidence in current wine industry climate despite a surplus of private equity capital in U.S. economy</i></p> <ul style="list-style-type: none"> <li>Poor timing of investments in Washington division of Ste. Michelle Wine Estates and Napa Valley's Far Niente Wine Estates and Silver Oak Cellars has dampened enthusiasm for further private equity investment in current cycle</li> <li>Private equity's desired 3- to 5-year investment horizon is not conducive in light of current industry downcycle, unless investment thesis is overly compelling (e.g., Butterfly take-private transaction of Duckhorn)</li> <li>Severe industry headwinds and highly public bankruptcy liquidations of Vintage Wine Estates and Spring Mountain Vineyard continue to result in tighter lender underwriting criteria and negative effect on deal financing</li> </ul>

# Oregon M&A Overview

*Oregon merger and acquisition activity remained limited in 2025 due to oversupply, market softness and financial headwinds*

## Oregon M&A Transaction Environment

—  
*Downcycle Limiting Number of Transactions*

*Oregon remains a highly desirable investment thesis, particularly for international wine companies, but current market environment and trade strains have made for a more challenging transaction environment*

- 2025 headlined by sales of Elouan wine brand to Stoller Family Vineyards and Results Partners vineyard management company to Atlas Vineyard Management
- Number of smaller wineries lacking developed wine brands are searching for exit opportunities or otherwise restructuring their capital / debt structures
- Vineyard transactions remain muted unless there is an overriding lifestyle appeal to sale opportunities

## Wine Brands

—  
*Value in Recognizable and Scalable Brands*

*Established wine brands with minimal grape contract commitments are attractive to middle market investors*

- Major strategic wine companies have stayed largely on the sidelines in Oregon over the past year, reflecting their internal struggles with managing bulging wine inventories and softness in wine sales
- Activity has been focused on strategic expansions at diversified and more scalable price points, including Stoller's purchase of \$16 to \$20 Elouan brand and International Beverage Group's 2024 acquisition of \$11 to \$15 Firesteed
- Grape surplus and falling grape prices should encourage further wine brand acquisitions

## Integrated Wineries and Facilities

—  
*Lack of Interest in Production Capacity*

*Greater interest in integrated estate wineries than wine production facilities due to contracting market conditions*

- Vast majority of integrated estate winery sales (*i.e.*, brand, facility and vineyard) occur at valuations <\$15 million, highlighting smaller size of most Oregon wineries
- International strategics covet opportunities to acquire integrated estate wineries, as exemplified by earlier deals, such as Bollinger's purchase of Ponzi, Henriot's purchase of Beaux Freres, and Frescobaldi's purchase of Domaine Roy
- In current market downcycle, wineries have not been looking for additional wine production capacity

## Vineyards






































—  
*Grape Contracts are Key to Larger Parcels*


*Market for sale of vineyards has been largely illiquid, unless supported by grape contracts or smaller lifestyle parcels*

- Difficult for investors to underwrite purchase of vineyards that lack mid- to longer-term grape purchase contracts, often resulting in winery seller being forced to contract-back for fruit in order to facilitate sale transaction
- However, most wineries are disinclined to sign grape contracts because current downcycle has led to unpredictability in wine sales and, thus, need for short-term flexibility in sourcing grapes
- Lifestyle purchasers are more forgiving of uncontracted vineyards when parcel sizes are generally less than ~20 acres

# Select Oregon Wine Industry Transactions

Limited Oregon acquisition activity in the Oregon market over the last few years relative to 2016-2021 timeframe

Date	Target	Acquirer / Investor	Rationale
January 2026	 RESULTS™ PARTNERS vineyard development & management	 ATLAS VINEYARD MANAGEMENT	Creates a national-scale vineyard management platform
December 2025	 winderlea	Joth Ricci & Family	Family-to-family transition of historic Willamette Valley vineyard
 June 2025	 ELOUAN	 STOLLER WINE GROUP	Expansion of production capacity with a leading Pinot Noir brand
 October 2024	 FIRESTEED	 Integrated Beverage Group	Additional bolt-on acquisition to support growing Oregon portfolio
July 2023	Domaine Roy & fils	 FRESCOBALDI TOSCANA	Marchesi Frescobaldi's first U.S. winery acquisition
 September 2022	 A to Z	 Chateau Ste Michelle	Bolt-on acquisition to Erath to strengthen Ste. Michelle's Oregon presence
 April 2022	LINGUA FRANCA	 Constellation Brands	First Oregon acquisition; expands luxury wine portfolio
January 2022	 ROCO WINERY	 Santa Margherita — USA —	First Oregon acquisition by large Italian wine producer
August 2021	NW WINE CO.	Casparian Partners	Oregon wine production platform for bolt-on acquisitions
 May 2021	 PONZI VINEYARDS	 CHAMPAGNE BOLLINGER	Provides luxury-focused wine brand in U.S. market
 February 2020	RANSOM	 Integrated Beverage Group	Bolt-on acquisition to support Oregon winery platform
 October 2018	 Vista Hills VINEYARD & WINERY	 COPPOLA	Prime luxury estate vineyard and tasting room location
 August 2018	DUCK POND	 Integrated Beverage Group	Oregon asset platform for winery operations
 April 2018	 Acrobat	FOLEY FAMILY WINES	150,000- case \$12 to \$18 Pinot Noir / Gris brand
April 2017	 Beaux Frères	 MAISONS & DOMAINES HENRIOT	U.S. acquisition of French-style Pinot Noir brand
 October 2016	 WILLAKENZIE ESTATE	 Jackson FAMILY WINES	Solidify luxury estate winery presence in Oregon
 April 2016	 penner-ash WINE CELLARS	 Jackson FAMILY WINES	Luxury brand outlet for grape production from JFW Oregon vineyards

 Denotes BMO facilitated transaction

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