



What's next for Irish whiskey in Germany?



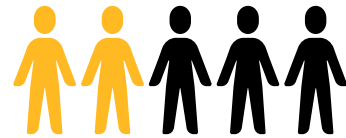
Market Insight
Series

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Irish Whiskey Association
Drinks Ireland

German Market Introduction



Population:
83.24 million



4th Largest
Economy in
the world



Largest GDP
in EU

COVID-19 Update

- 68% of Population Vaccinated
- New national 2g & 3g regulations as of 25th November 2021

German Market Analysis

Irish Whiskey grew by 12% as a category in 2020 in Germany.

Strategic importance of Germany as a priority export market

Impact of Brexit on UK market (as close competitive market to Germany)

Additional complications for Scotch exports to EU, with Covid, Brexit and the UK Lorry driver crisis.

Spirits: Consumption Summary

'000s nine-litre cases

Category	2019	2020	CAGR 2019 to 2020	CAGR 2015 to 2020	CAGR 2020 to 2025
Spirits	46,290.25	43,230.75	-6.6%	-1.5%	1.1%
Whisky	4,816.50	4,987.50	3.6%	3.0%	2.5%
- Scotch	2,093.75	2,120.00	1.3%	3.5%	3.1%
- US Whiskey	2,199.00	2,295.00	4.4%	2.3%	1.4%
- Canadian Whisky	98.00	103.00	5.1%	-3.0%	1.1%
- Irish Whiskey	389.25	436.00	12.0%	7.4%	5.1%
- Japanese Whisky	6.25	6.00	-4.0%	3.7%	1.6%
- Indian Whisky	1.10	0.75	-31.8%	0.0%	14.9%
- Other Whisky	29.15	26.75	-8.2%	-2.7%	1.3%

Source: IWSR

Top 40 Irish Whiskey Markets 2020

		2019 cases sold (1,000)	2020 cases sold (1,000)	Change
1	United States	4,955.0	4,928.5	-0.5%
2	Ireland	590.5	591.0	0.1%
3	Russia	562.3	534.3	-5.0%
4	United Kingdom	468.0	531.0	13.5%
5	Germany	389.3	436.0	12.0%
6	Poland	306.8	398.8	30.0%
7	France	402.0	376.0	-6.5%
8	South Africa	399.8	347.0	-13.2%
9	Canada	327.1	337.7	3.3%
10	Australia	202.0	247.3	22.4%

Source: IWSR

German Market Analysis



Excise Tax

Germany's excise tax sits at **€3.65** on a 70cl bottle of Irish Whiskey at 40% abv.

17th highest in Europe.

Low RRP & high rate of competition.



Tariffs

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Removal of tariffs on American whiskey effective from 1 January 2022.

American whiskey exports to the EU have plunged 37% from the years 2018 to 2020.

Anticipated that American whiskeys will be targeting Germany for export success



Consumption

Sales of alcohol in bars and restaurants plummeted, severely affecting the drinks sector

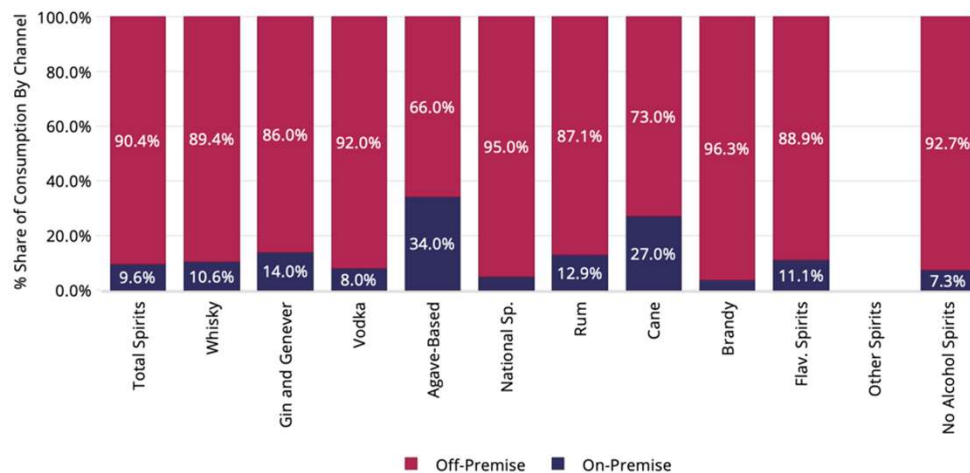
Irish Whiskey category shows strong growth in the face of drop in spirit sales in Germany



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On vs Off Trade

Spirits: Share of On- vs Off-Premise 2020



Source: The IWSR

Irish Whiskey Sales Breakdown

- The total volume of Irish Whiskey sales 2020 was 436.00 '000 nine-litre cases
- 90% went into the off trade
- Key reason for steady off trade growth is the education of the consumer.
- With the on trade being temporarily closed during the pandemic, companies been looking for new ways to introduce brands to the consumer.
- Education methods included online tastings, masterclasses, sampling, TV advertising, in-store displays e.g.

Off Trade



Gesamtabsatzanteile einzelner Spirituosenarten im LEH 2018 nach Geschäftstypen, Organisationsformen und Verkaufsflächen

(Lebensmittel-Einzelhandel [LEH] ohne Kaufhäuser, Fachhandel und Aldi; Basis: Jede aufgeführte Spirituosenart über insgesamt je ¹⁾²⁾³⁾ $\hat{=}$ 100 %; Angaben in Prozent des Gesamtabsatzes je Spirituosenart)

	Wein- brand/ Cognac	Rum	Liköre	Klare Whisk(e)y	Son- tige Spiri- tuosen
GESCHÄFTSTYPEN:¹⁾					
Verbrauchermärkte	52	57	60	54	67
Discounter	40	36	33	39	27
Restl. LEH	8	7	7	7	6
ORGANISATIONSFORMEN:²⁾					
REWE-Gruppe	21	22	23	26	25
EDEKA-Gruppe	43	40	40	38	35
MARKANT-Gruppe	21	21	22	19	29
Restl. LEH	15	17	15	17	11
VERKAUFSFLÄCHEN:³⁾					
200 – 399 qm	3	2	2	2	1
400 – 799 qm ¹⁾	45	40	37	43	32
800 – 1.499 qm	18	19	20	19	18
1.500 – 2.499 qm	10	11	12	11	11
2.500 – 4.999 qm	11	12	14	11	15
5.000 qm und mehr	13	16	15	14	23
Gesamtsumme bei ¹⁾²⁾³⁾	100	100	100	100	100

Key Retail Players



- Ca. 11.000 accounts (30% independent)
- 7 central warehouses
- 61 billion € revenue 2020



- 6.000 accounts (25% independent)
 - 2.150 Penny
- 6 central warehouses in Germany



Source: Google

Price Band

Whisky: Consumption By Price Band

'000s nine-litre cases

Category	2019	2020	Market Share 2020	CAGR 2019 to 2020	CAGR 2015 to 2020	CAGR 2020 to 2025
Whisky	4,816.50	4,987.50	100.0%	3.6%	3.0%	2.5%
Irish Whiskey	389.25	436.00	8.7%	12.0%	7.4%	5.1%
- Prestige	0.65	0.75	0.0%	15.4%	24.6%	10.8%
- Ultra-Premium	2.35	2.50	0.1%	6.4%	20.1%	5.4%
- Super-Premium	10.75	11.25	0.2%	4.7%	15.4%	4.1%
- Premium	64.25	78.00	1.6%	21.4%	13.9%	7.1%
- Standard	308.50	341.00	6.8%	10.5%	6.1%	4.7%
- Value	2.75	2.50	0.1%	-9.1%	-11.1%	-12.9%



So, what does a German consumer expect from a Premium Irish Whiskey?

Premium Whiskeys in Germany

- Product Specifications
- Unique selling points and differentials in a competitive category
- Return of Age Statements
- Strength of Innovation in the Irish category
- Product diversity attracting new consumers

Thank you



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