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**WSWA'S SIPSOURCE Q3 DATA SHOWS CONTINUED SUCCESS FOR SPIRITS AND STRUGGLES
FOR WINE***Wine and Spirits Marketplace Feels the Inflationary Impacts of the Past Twelve Months*

WASHINGTON, D.C., 12/08/2022 – Wine & Spirits Wholesalers of America (WSWA)'s SipSource, the first and only source for wine and spirits distributor depletion data that covers sales to hundreds of thousands of on- and off-premise accounts, today released third quarter data findings. The 2022 Quarter Three SipSource Report identifies wine and spirits trends and explores commercial and consumer behaviors as the country emerges from the pandemic. The report focuses on data over a 12-month period (October 2021 – September 2022), predicts what consumer trends will bring for both the on- and off-premise, and gives short- and long-term insight and understanding for the industry's future.

SipSource's Q3 data displays the strength of spirits in the marketplace and continues to remain consistent — especially when compared to wine. When looking at year-to-date data, depletions in 2022 have been soft overall compared to 2021 with spirits growing +3.4% while wine was down -6.7%. Sparkling wine, which saw success in 2021, was down -2.6% in the 12-months ending September 2022.

"We hoped 2022 would be our 'return to normal' after the impact of the pandemic, but inflation caused other disruptions during the last year," said SipSource Analyst Dale Stratton. "Positively, the wine and spirits industry has not experienced as much impact from inflation compared to other consumer goods categories. When we look at the quarter three findings, spirits continue to lead the industry with growth. On the other hand, wine continues to struggle, including sparkling wine. Let's hope the holidays turn that trend around!"

Combined depletion trends for wine and spirits continue to lose ground, down -1.9% for the latest 12-months ending in September 2021 and -3.0% year-to-date, indicating a continued softening for the industry overall.



On-Premise Is Back

SipSource's Q3 shows that the primary driver of the worsening trends is the lack of growth coming from the off-premise. While off-premise sales skyrocketed during the pandemic, 2022 saw an unsurprising increase in on-premise sales due to the re-opening of restaurants and bars.

RTDs Continue to Drive Market Growth

Premixed cocktails continue to lead spirits growth, up +27.3%. Also leading the way is tequila, up +12.0%, in the past twelve months, and Irish whiskey which is up +10.7%.

Inflation Softens Premiumization Trend

When looking at price tier, premiumization remains high for both spirits and wine but is losing momentum as growth on higher priced segments come down – most likely a result of inflationary impacts.

For members of the media who wish to discuss the 2022 Quarter Three SipSource Report with a SipSource analyst, please contact Michael@WSWA.org.

For professionals interested in subscribing to this data set, please contact Nicole@wswa.org.

About WSWA's SipSource

Wine & Spirits Wholesalers of America's (WSWA's) SipSource is the ONLY source for aggregated distributor depletion data, built from unique items sold to individual stores. Since wholesalers distribute to all types of retailers, SipSource has unrivaled channel segmentation. It also covers the largest volume of bona fide alcohol sales and does not need to rely on estimates, samples or projections. WSWA's SipSource uses an industry leading platform: VIP's iDIG to deliver timely, transparent and trusted data. In addition to the reporting tool, subscribers have access to quarterly and annual reports that leverage powerful collaboration with industry leaders and provide high-level insights into the wine and spirits marketplace.

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