MUP ANALYSIS

Provided to Aston Manor by Levercliff, Category Consultants to the Food & Drink Industry

(Data Source: IRI BWS)

October 2022

SUMMARY

1. The most profound impact happened in the immediate period after MUP was introduced with some changes made in anticipation, like some Own Label SKUs being discontinued. In the years that followed, those changes (substitution very likely in some categories and Own Label SKUs being discontinued) have remained, though other external factors have also prompted a marked distortion to the take-home alcohol market. The most significant of these is the impact of the Covid-19 pandemic – and for two reasons. First, the closure of hospitality and the transfer of some, not all, consumption to the take-home sector. Second, the considerable differences between the home nations in terms of restrictions on when and how hospitality outlets operated. The combination of these two things mean it is very difficult to make year-on-year comparisons and also to look at how Scotland might have differed from England (and Wales).

2. After four years of MUP in Scotland a cumulative total of +462,703,415 more units of alcohol have been consumed based on off-trade sales. Prior to the introduction of MUP there was an established trend of declining per capita consumption, hence it is, at best, unproven that MUP is contributing to a reduction in alcohol consumption, or certainly that any reduction in consumption might simply be the continuation of an established trend.

3. There has been changes in category (and brand) performance that are different in Scotland than for England and Wales. Most significant of these is the decline in sales of cider and perry and the marked growth in two fortified wine brands (Buckfast Tonic Wine and Eldorado) and one RTD brand (Dragon Soop). It is highly likely that these changes reflect consumers substituting cider and perry for Buckfast, Eldorado, and Dragon Soop.

4. Own Label alcohol has declined in every category other than fortified wines and RTDs. This is counter to the trend for Own Label products in non-alcohol categories given consumers are seeking value as disposable incomes reduce and consumer confidence declines. This clear reduction in consumer choice particularly impacts lower income households. That the decline in Own Label is reversed in fortified and RTDs provides more confidence of consumers switching into those categories as a result of the introduction of MUP.

Source: IRI BWS Data to 13th Aug 2022

SUMMARY OF THE LATEST 2 YEARS (to AUG 2022)

Off Trade Alcohol across Scotland and GB excl. Scotland is posting strong decline in the latest MAT as the market laps the performance "boost" is received during Covid-19 when the hospitality sector was shut and/or trading was restricted.

		Value %CHG		Volume %CHG		Units of Alcohol Actual CHG vs Prior Year	
		52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22
Spirits	GB excl Scotland	+8.6%	-8.1%	+7.8%	-8.1%		
	Scotland	+3.0%	-12.0%	+2.4%	-12.0%	+21,761,602	-150,485,520
Fortified	GB excl Scotland	+12.4%	-7.7%	+9.4%	-8.8%		
	Scotland	+9.2%	-6.1%	+8.5%	-8.1%	+8,337,664	-8,991,176
RTD	GB excl Scotland	+16.1%	+8.3%	+14.7%	+3.2%		
	Scotland	+21.2%	-6.3%	+11.4%	-12.3%	+9,254,765	-10,556,253
Wine	GB excl Scotland	+6.0%	-7.8%	+4.8%	-10.1%		
	Scotland	+5.6%	-7.1%	+3.5%	-9.5%	+77,926,903	-187,781,095
Lager	GB excl Scotland	+4.6%	-9.9%	+4.5%	-12.6%		
	Scotland	+5.1%	-16.4%	+4.8%	-18.0%	+42,356,831	-157,428,569
Ale	GB excl Scotland	+13.9%	-15.4%	+12.8%	-16.2%		
	Scotland	+10.0%	-14.6%	+8.5%	-15.6%	+9,878,743	-17,973,878
Stout	GB excl Scotland	+17.8%	-6.9%	+19.3%	-6.4%		
	Scotland	+14.8%	-9.8%	+17.8%	-9.2%	+3,990,954	-2,400,712
Perry	GB excl Scotland	-5.3%	-20.0%	-15.8%	-22.1%		
	Scotland	-17.7%	-29.5%	-20.3%	-31.5%	-2,437,164	-3,002,724
Cider	GB excl Scotland	-4.6%	-9.3%	-4.7%	-11.2%		
	Scotland	-8.6%	-20.6%	-6.5%	-23.5%	-34,862,496	-73,941,496
Total Alcohol	GB excl Scotland	+6.3%	-8.3%	+4.4%	-11.2%		
	Scotland	+4.8%	-10.7%	+3.5%	-14.8%	+136,207,802	-612,561,423

Source: IRI BWS Data to 13th Aug 2022

SUMMARY WITH HISTORICAL COMPARISONS

Although time periods are not perfectly aligned it is possible to track 5 years of Units of Pure Alcohol sold in Scotland's Off Trade. At best it is unproven that MUP is contributing to a reduction in alcohol consumption

		Value %CHG		Volume %CHG		Units of Alcohol Actual					
		52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	**52 w/e 28 Apr, 18**	**52 w/e 27 Apr, 19**	**52 w/e 15 Aug, 20**	**52 w/e 14 Aug, 21**	**52 w/e 13 Aug, 22**	**NET incremental after 4 yrs**
Spirits	GB excl Scotland	+8.6%	-8.1%	+7.8%	-8.1%						
	Scotland	+3.0%	-12.0%	+2.4%	-12.0%	1,126,924,207	1,134,395,152	1,214,419,934	1,236,181,538	1,085,696,017	**+162,995,813**
Fortified	GB excl Scotland	+12.4%	-7.7%	+9.4%	-8.8%						
	Scotland	+9.2%	-6.1%	+8.5%	-8.1%	142,436,285	155,914,235	110,607,803	118,945,468	109,954,291	**-74,323,343**
RTD	GB excl Scotland	+16.1%	+8.3%	+14.7%	+3.2%						
	Scotland	+21.2%	-6.3%	+11.4%	-12.3%	52,640,961	65,200,145	88,777,515	98,032,280	87,476,026	**+128,922,122**
Still Wine	GB excl Scotland	+6.0%	-7.8%	+4.8%	-10.1%						
	Scotland	+5.6%	-7.1%	+3.5%	-9.5%	891,511,966	884,799,746	942,639,629	976,176,005	886,886,407	**+124,453,923**
Lager	GB excl Scotland	+4.6%	-9.9%	+4.5%	-12.6%						
	Scotland	+5.1%	-16.4%	+4.8%	-18.0%	702,171,777	736,813,163	826,048,915	868,405,746	710,977,177	**+333,557,893**
Ale	GB excl Scotland	+13.9%	-15.4%	+12.8%	-16.2%						
	Scotland	+10.0%	-14.6%	+8.5%	-15.6%	89,321,321	97,619,473	106,535,482	116,414,226	98,440,348	**+61,724,245**
Stout	GB excl Scotland	+17.8%	-6.9%	+19.3%	-6.4%						
	Scotland	+14.8%	-9.8%	+17.8%	-9.2%	17,467,923	17,877,862	21,768,167	25,759,121	23,358,409	**+18,891,867**
Perry	GB excl Scotland	-5.3%	-20.0%	-15.8%	-22.1%						
	Scotland	-17.7%	-29.5%	-20.3%	-31.5%	25,492,272	14,783,756	11,965,685	9,528,521	6,525,798	**-59,165,328**
Cider	GB excl Scotland	-4.6%	-9.3%	-4.7%	-11.2%						
	Scotland	-8.6%	-20.6%	-6.5%	-23.5%	299,964,359	243,027,509	288,714,213	253,851,716	179,910,221	**-234,353,777**
Total Alcohol	GB excl Scotland	+6.3%	-8.3%	+4.4%	-11.2%						
	Scotland	+4.8%	-10.7%	+3.5%	-14.8%	3,347,931,071	3,350,431,041	3,611,477,343	3,703,294,621	3,189,224,694	**+462,703,415**

Source: IRI BWS Data to 13th Aug 2022

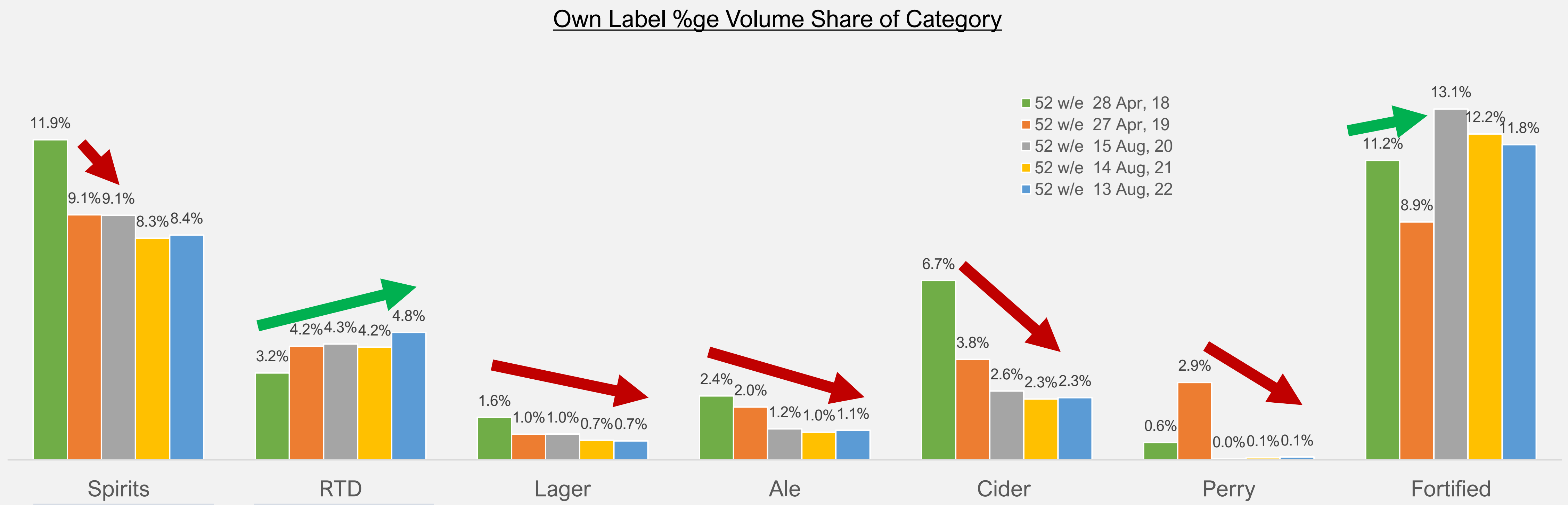
COVID RESTRICTIONS IMPACT ON CONSUMPTION

The Off trade saw an increase in sales during the time the hospitality sector was closed. Also notable is that there were considerable differences between the home nations in terms of restrictions on when and how hospitality outlets operated.

52 w/e 15 Aug 2020	52 w/e 14 Aug 2021
24th/26th March 2020 - UK Wide Lockdown begins	24th September 2020 - UK wide 10pm curfew for hospitality
4th July 2020 - England Pubs open with restrictions	7th October 2020 - Scotland circuit break lockdown
15th July 2020 - Scotland Pubs open with restrictions	23rd October - Wales 2 week firebreak
3rd August 2020 - Wales pubs open with restrictions	5th November 2020 - England 2nd lockdown begins
	2nd December 2020 - England 2nd lockdown end / pubs open
	31st December 2020 - England in Tier 3 / pubs close
	4th January 2021 - 3rd National lockdown begins
	12th April 2021 - England pubs open for outdoor service
	26th April 2021 - Scotland & Wales pubs open for outdoor service
	17th May 2021 - UK wide pubs open for indoor service

IMPACT ON OWN LABEL

MUP raised the RSP's of Own Label thus eroding the price differential between these products and Brands. Retailers responded by removing Own Label offers from ranges, reducing consumer choice, especially for drinkers in lower income households.



Spirits	RTD	Lager	Ale	Cider	Perry	Fortified
OL Spirits losses mostly in Yr1 of MUP and continued to fall	OL RTD's have gained share as SKU's proliferate in this growing segment	OL Lager impacted mostly in Yr1 of MUP and has not recovered	OL Ale reduced over time	OL Cider share has more than halved	OL Perry is unsustainable in MUP and hasbeen removed from the market	OL Fortified high strength flourished post MUP

Source: IRI EMS Data

Label (filtered to those lines selling

OWN LABEL SKU COUNT (LONG ALCOHOLIC DRINKS)

The major categories within Long Alcoholic Drinks saw a reduction in Own Label SKU count post MUP by as much as -50%.

SKU Count of Own Label (filtered to those lines selling more than £1k over a 52wk period)

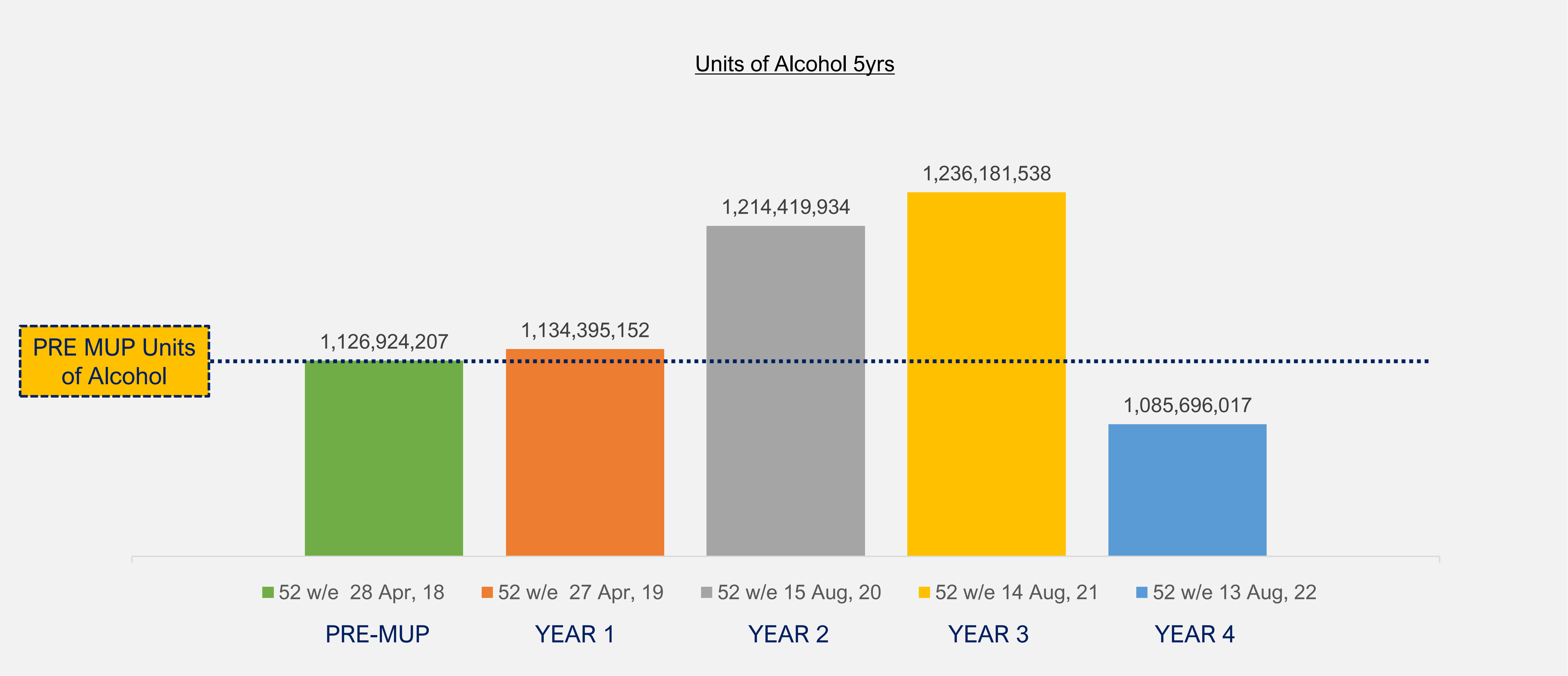
	Pre-MUP	Aug 2022	Difference	% Difference
Ale	10	5	-5	-50%
Cider	13	9	-4	-31%
Lager	19	8	-8	-50%
Perry	1	1	0	-
Stout	1	1	0	-

Source: IRI BWS Data

CATEGORY SUMMARIES

SPIRITS

Spirits have introduced an incremental +163M Units of Alcohol into Scottish Homes since MUP



Source: IRI BWS Data

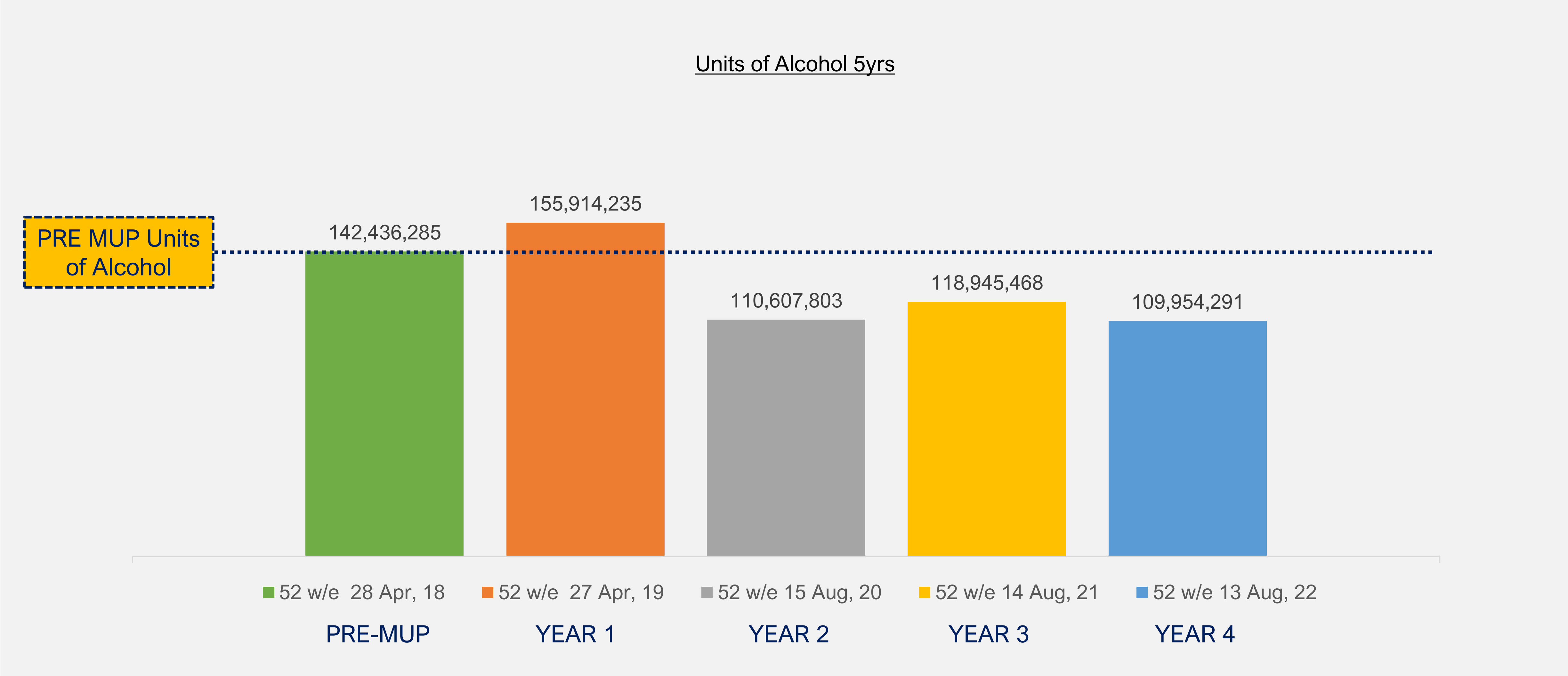
SPIRITS

1st Year of MUP	Last 3 years
With reduced choice consumers were forced away from away from larger pack sizes into smaller ones however overall Spirits volume purchased did not fall spirits added +7.5M additional Units of Alcohol vs prior to MUP.	The Alcohol Unit contribution of Sprits continues to rise YoY after MUP implementation …until this year.
Own Label at -20% leads the volume decline, driven in particular by OL Vodka and OL Whisky. This is closely followed by branded decline from Bells, Famous Grouse, Bacardi and Russian Standard.	Having lost a significant amount of volume immediately in year 1 of MUP Own Label continues its strong decline over the last 3 years it has lost more volume than any other brand except for Russian Standard (A brand removed from shelves in response to the war in Ukraine)
1 Litre and 1.5 Litre bottles across Own Label and Brands have sold significantly less as volume switches into smaller bottles, particularly 70cl and 35cl.	1.5L bottles are uncommon post MUP therefore the decline we are seeing in the market is driven by standard 70cl bottles. For many brands (e.g. Gordons, Famous Grouse, Smirnoff, Bombay Sapphire) the biggest volume loss over the last 2 years is via their 1L bottles.
Whisky is by far the worst hit sector accounting for 57% of all volume loss in the Spirits category	Vodka, Gin and Whisky account for most decline in the category over the last 3 years

Source: IRI BWS Data 13th Aug 2022

FORTIFIED

In the first year of MUP Fortified sold more Units of Alcohol into Scottish Homes. This level dropped in subsequent years and has levelled off. Overall Fortified decline has removed -74M Units of alcohol over the last 4yrs



Source: IRI BWS Data

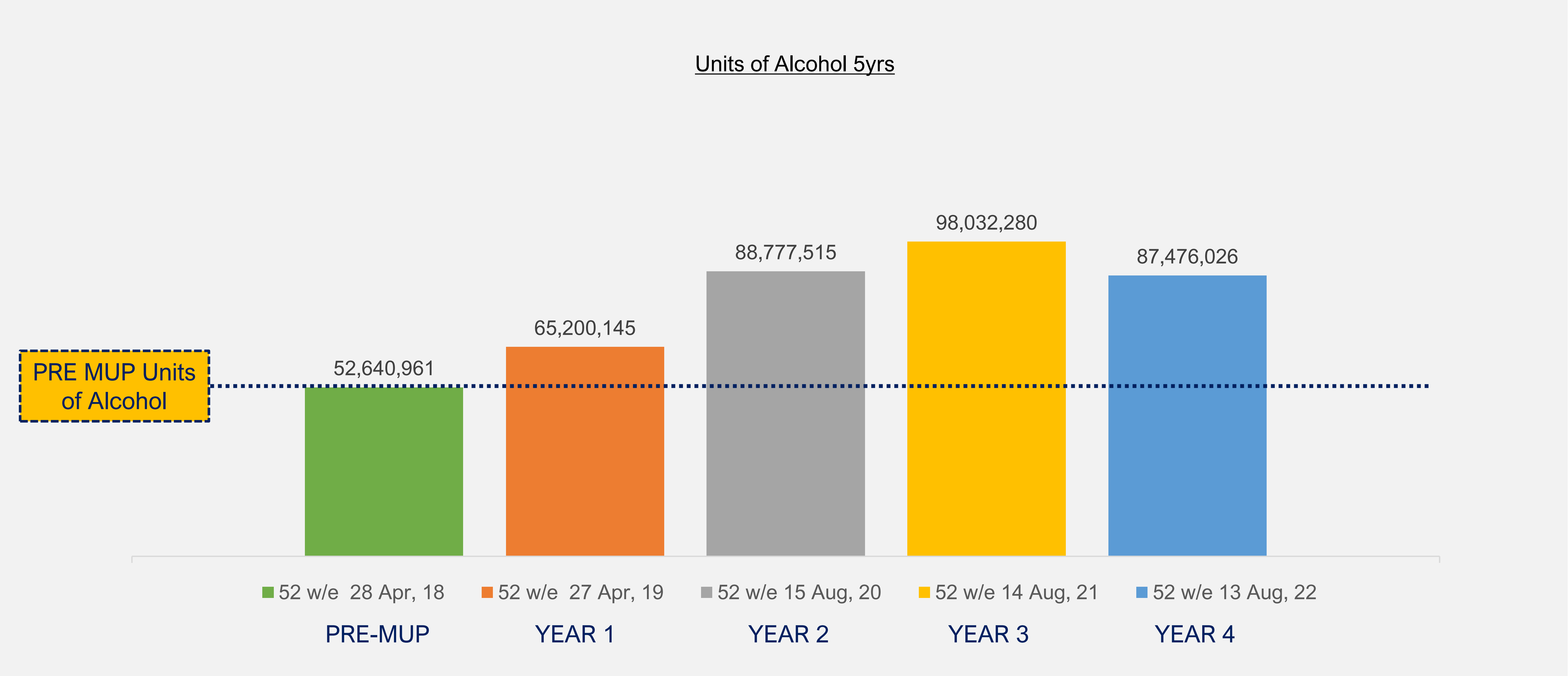
FORTIFIED

1st Year of MUP	Last 3 years
MUP potentially encouraged consumer to displace their consumption from cider into higher strength 15% ABV caffeinated strong tonic wines which, with RSP's unaffected by MUP, have added millions more Units of Alcohol into Scotland.	Across the last 3yrs the fortified category has been overall flat in its contribution to Alcohol Unit growth in Scotland. This is because decline across drinks such as Port and Sherry have offset the continued gains being made by 15% ABV caffeinated strong tonic wines, which are the ONLY growth sector within Fortified.
Buckfast Tonic Wine has seen accelerated +11% volume growth since the introduction of MUP, adding over +11.9M Units of Alcohol to the Scottish market. "Scotland's Own" Eldorado Tonic Wine has seen almost +400% growth adding a further +4M Units of Alcohol. Combined, that's over +16M additional Units of Alcohol. Neither brand has anything other than miniscule sales in England and Wales.	Buckfast, by far the largest player in strong tonic wines has added the greatest Volume and +2M Units of Alcohol in the last 2 years. "Scotland's Own" Eldorado Tonic Wine, an early benefactor of MUP has also grown over the last 3 years. Despite being 10th scale of Buckfast it has added over +1M Units of Alcohol in the last year alone.
Own Label shoppers, similar to within Spirits, are the most affected by MUP within the this category, leading to OL volume decline across the traditional fortified sectors of Sherry, Vermouth, British and Ginger Wine.	Over the last 3 years Own Label has lost the most volume and this loss has been across all Fortified sectors (Vermouth, Sherry, Port, Montilla, Madeira, Ginger Wine, British)
Well known brands such as Harveys , Croft , Dows and Taylors are also declining whilst the caffeinated Tonic Wines post exceptional growth.	

Source: IRI BWS Data 13th Aug 2022

RTD

Every year since MUP RTD's have added more Units of Alcohol. In total they have added +129M more Units of Alcohol in the last 4 years since MUP.



Source: IRI BWS Data

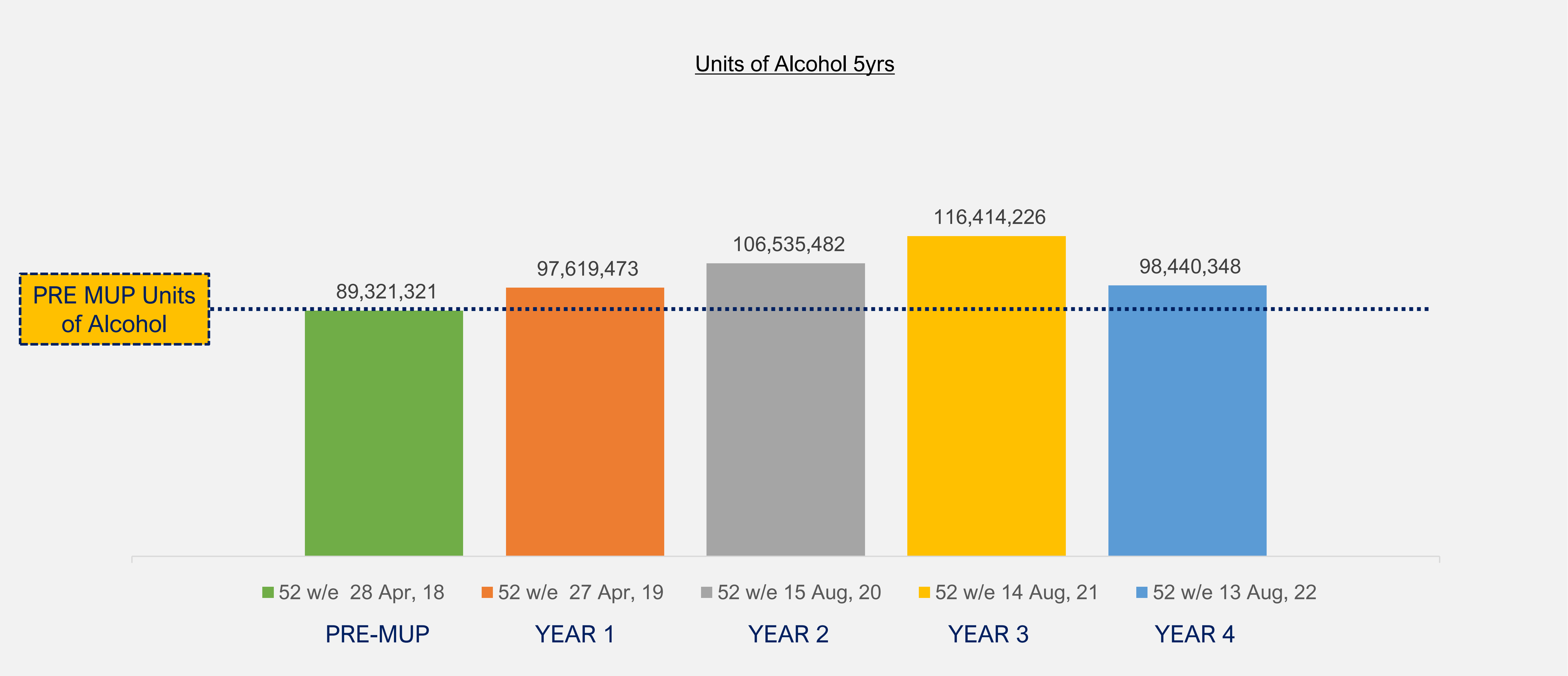
RTD

1st Year of MUP	Last 3 years
MUP has potentially encourage consumers to buy into higher strength 8% ABV caffeinated drinks such as Dragon Soup. Overall, the RTD category has added an additional +12.6M Units of Alcohol into Scotland vs Last Year.	RTD's have, until this last year, gradually increased the Units of Alcohol sold in Scotland.
Dragon Soup Caffeinated Alcoholic Beverage is by far the biggest beneficiary of MUP in the RTD category and it is the largest contributor to Alcohol Units. Its volume growth surged to +30% YoY and it added +6.3M Units of Alcohol YoY into the Scottish Market, taking the brand's total Alcohol Unit contribution to 28M units.	Dragon Soop remains the largest Volume brand in this category despite its recent decline which removed -7.6M Units of Alcohol out of the category over the last 2 years. That said there is a new 8.5% Caffeinated Alcoholic Beverage brand called Four Loko (8.5% ABV) that is in growth and has added almost +7M Units of Alcohol in the same period!
The remainder of the category has a high proportion of Spirit mixed drinks averaging 5% ABV and there has been growth in branded Gin, Vodka and Rum variants notably Gordons, Smirnoff and Captain Morgan.	

Source: IRI BWS Data 13th Aug 2022

ALE

Ales have, until this year, gradually increased the Units of Alcohol sold in Scotland adding an incremental +61M in 4yrs



Source: IRI BWS Data

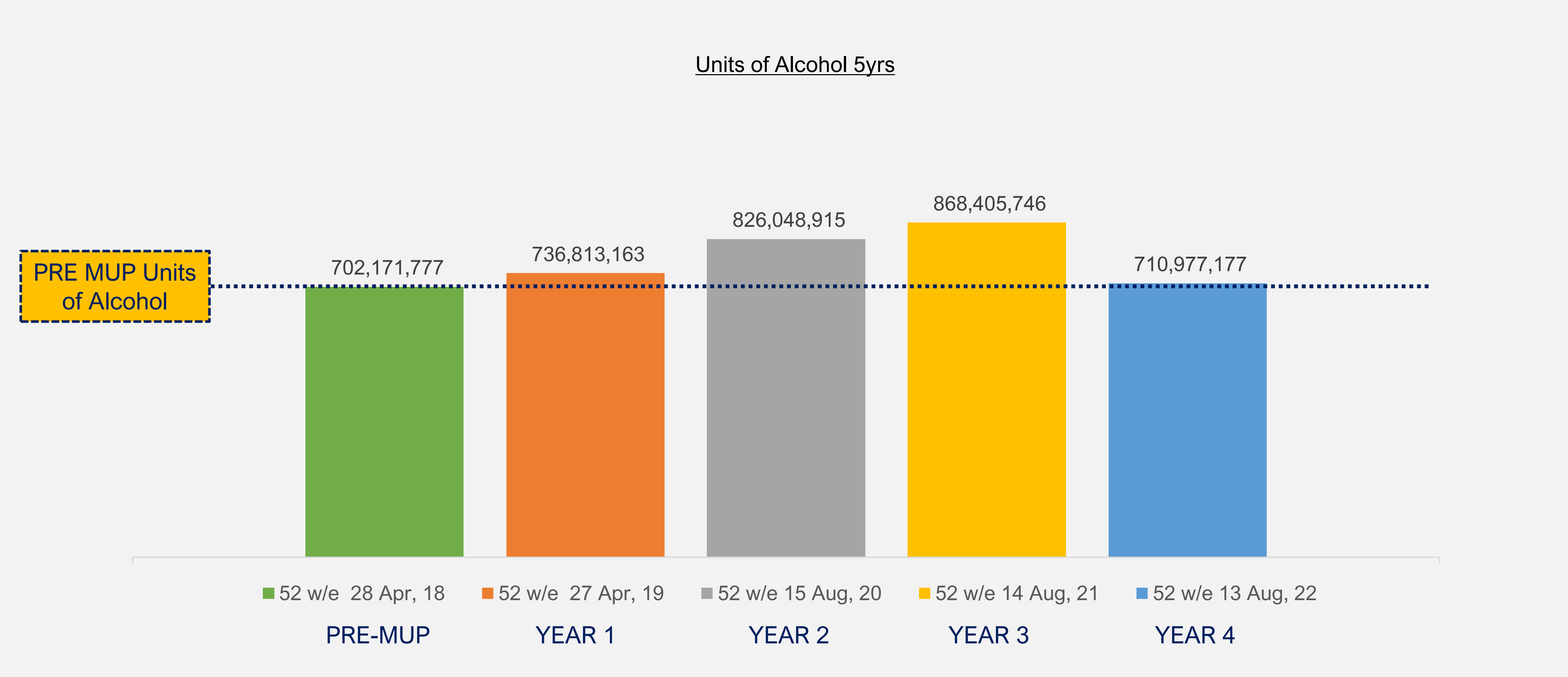
ALE & STOUT

1st Year of MUP	Last 3 years
Ale added an additional +8.3M Units of Alcohol to the Scottish Market. The top brands that contributed to this growth were McEwans Export Can (4.5% ABV), Newcastle Brown Ale Bottle (4.7% ABV). A long tail of other brands also contributed to the increase, a good proportion of them premium or "craft" ales such as Brewdog or Lagunitas which typically have ABV's higher than 6%.	Ales have, until this last year , gradually increased the Units of Alcohol sold in Scotland.
Stout, dominated by Guinness, has seen little impact from MUP	Over the last few years Stout has seen a resurgence driven by craft brands and consequently it is the only LAD to grow Volume over the last 3 years. Being 'craft' driven there are many brands which offer higher ABV's than the market leader Guinness (4.1%) therefore the net effect has been an increase of +1.6M Units of Alcohol across the last 3yrs

Source: IRI BWS Data 13th Aug 2022

LAGER

Lagers have, until this year, gradually increased the Units of Alcohol sold in Scotland. Lager has added +334M additional Units of Alcohol in the last 4yrs



Source: IRI BWS Data

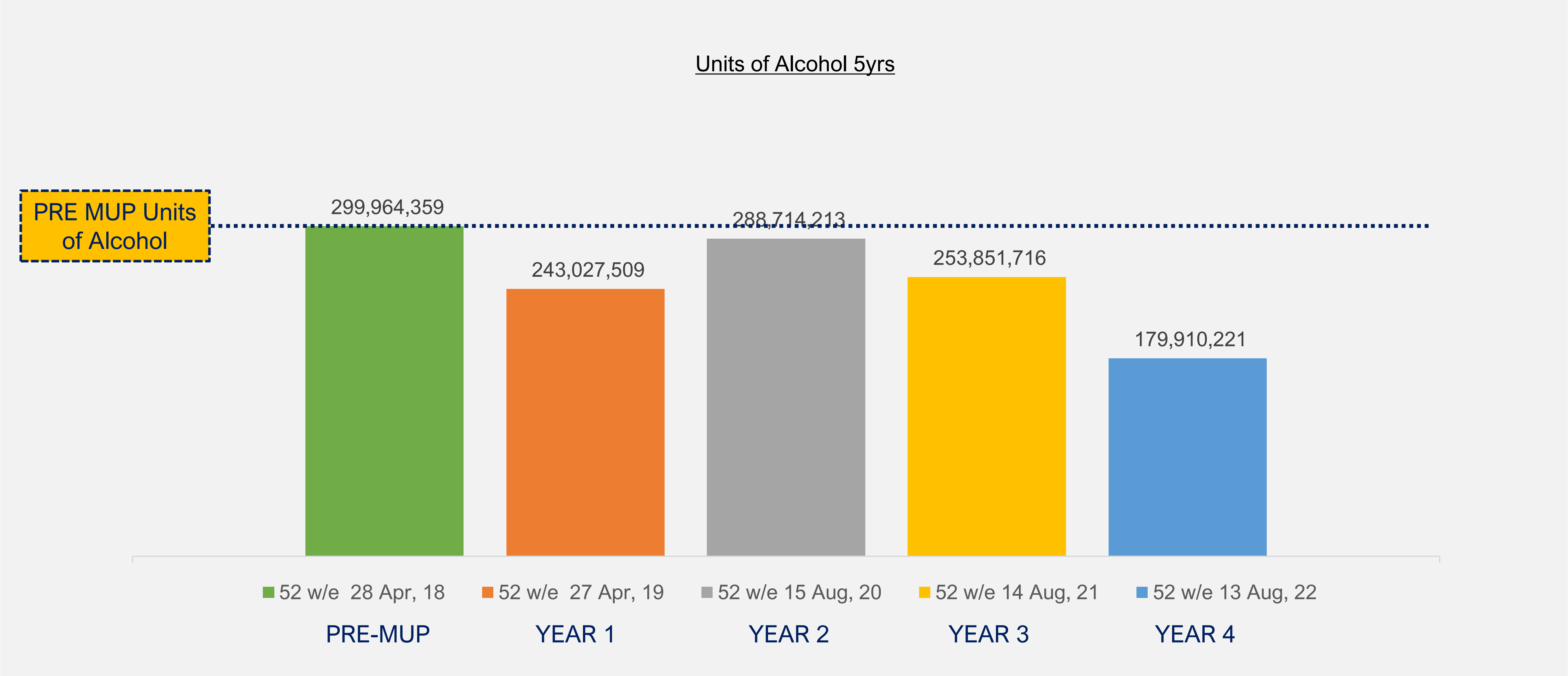
LAGER

1st Year of MUP	Last 3 years
The Lager category has grown since the introduction of MUP and has added an additional +34.6M Units of Alcohol into the Scottish Market. 33.8M units of this [85%] is a result of Scottish consumers buying more higher ABV premium lagers such as Corona (4.5% ABV), Heineken (5% ABV), Estrella Damn (5.4% ABV), Desperados (5.8% ABV).	Lagers have, until this year , gradually increased the Units of Alcohol sold in Scotland. With the recent decline in volume that has now fallen by -157M Alcohol Units vs LY. Decline has come through both Premium and Standard suggesting a migration back to the On trade
Own Label declines despite often being a lower strength ABV option, and this decline is a consequence of either OL becoming less attractive as the price differential vs brands narrows or of retailers removing the Own Label from sale therefore removing consumer choice.	
Across Premium Lager and Standard Lager 24pk/20pk/18pk have been removed and replaced with 15pk/12pk, 10pk as retailers/manufacturers shrink pack sizes to purposefully hit attractive price points. This reduction makes it even more staggering that the category grew adding +34.6M Units of Alcohol.	

Source: IRI BWS Data 13th Aug 2022

CIDER

Cider has gradually decreased the Units of Alcohol sold in Scotland. Like other long alcoholic drinks it has seen a significant decline in the last year. Over the course of the last 4yrs its has lost -234M Units of Alcohol



Source: IRI BWS Data

CIDER

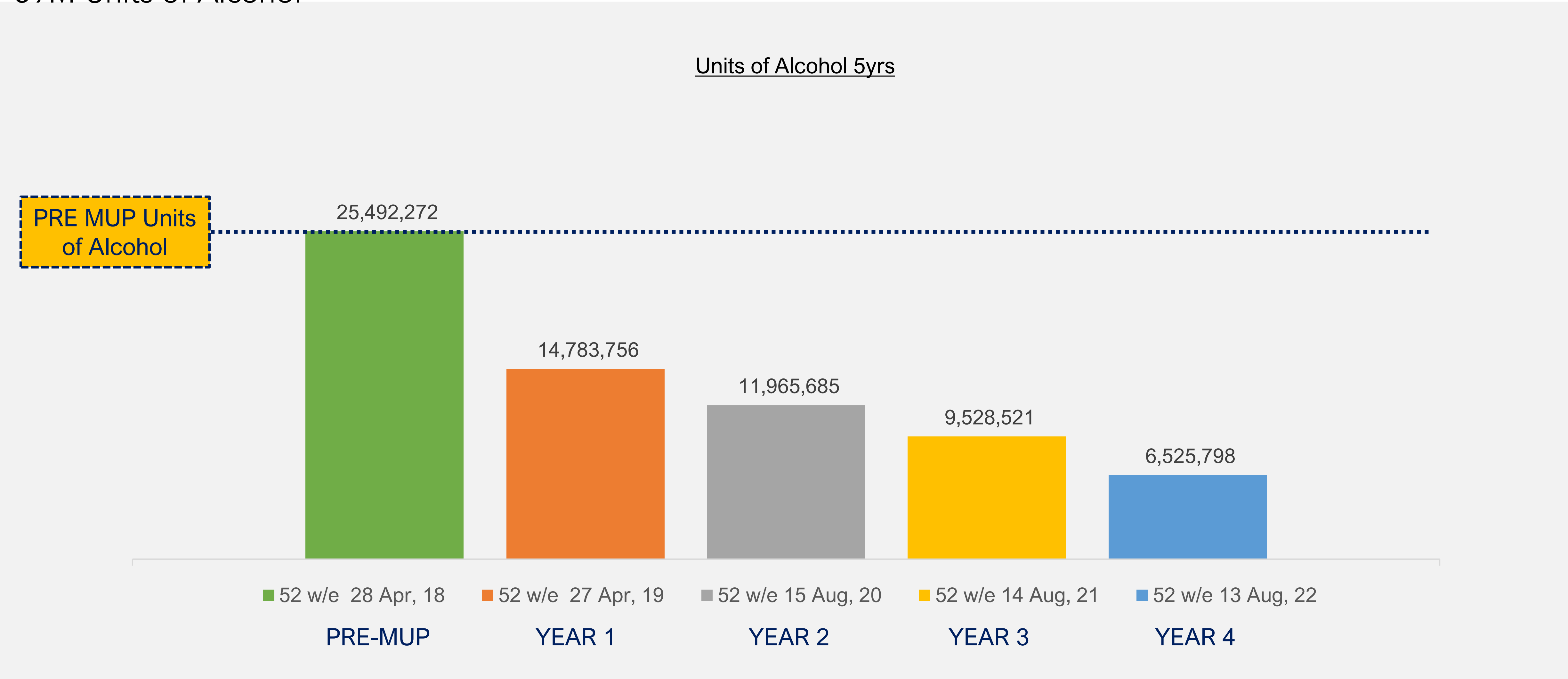
1st Year of MUP	Last 3 years
Cider is the hardest hit segment by MUP with Volume decline across many Brands [e.g. Strongbow 5% ABV, Frosty Jack's 7.5% ABV, Stella Cidre ABV 4.5%] Retailer Exclusive Brands [e.g. Tesco Crofters 5% ABV, Asda Hawksridge 4.2% ABV] and Retailer Own Label. This Volume decline has removed -57M Units of Alcohol from the Scottish Market.	Cider has gradually decreased the Units of Alcohol sold in Scotland. Like other long alcoholic drinks it has seen a significant decline in the last year. This latest decline does not appear to be linked to MUP as the category's biggest losers of volume are mostly 4% flavoured brands and standard apple brands. Strongbow Apple (4.5% ABV) is the biggest brand to lose followed by Strongbow Dark Fruit (4% ABV), K Cider (7.5% ABV), Magners (4,5% ABV), Kopparberg (4% ABV) and Strongbow Rose (4% ABV)
MUP has lead to the collapse of the PET format [-57%] indiscriminately across Brands, Retailer Exclusive Brands and Retailer Own Brands (ABV's ranging from 4.2% ABV to 7.5% ABV)	PET Bottle volumes significantly dropped post MUP and, although now a much smaller part of the category (11%) they continue to decline and -10.6M Units of alcohol have come out of the market in the last 2 years. More significant is the fact that -88M Units of Alcohol have come out of the market via Can in the last 2yrs, a format favoured by more mainstream brands like Scrumpy Jack (-43M), Strongbow (-11M) which lead the decline
MUP precipitated the active removal of 18pks/20pks of Mainstream brands from retailer ranges (e.g. Strongbow) as prices were forced near to or over £20. With the intention of hitting more attractive on-shelf price points retailers and manufacturers focus has shifted to mid-packs (10pk/12pk).	Latest Cider market volumes are in decline and this has very little to do with MUP. Any residual large 24pks have made their way out of the market and the greatest volume declines are now from smaller packs , particularly 4pks and 10pks,

Source: IRI BWS Data 13th Aug 2022

PERRY

Perry was a category hit hard by MUP and its Units of Alcohol have been eroded over time. Over the last 4yrs it has lost

-59M Units of Alcohol



Source: IRI BWS Data

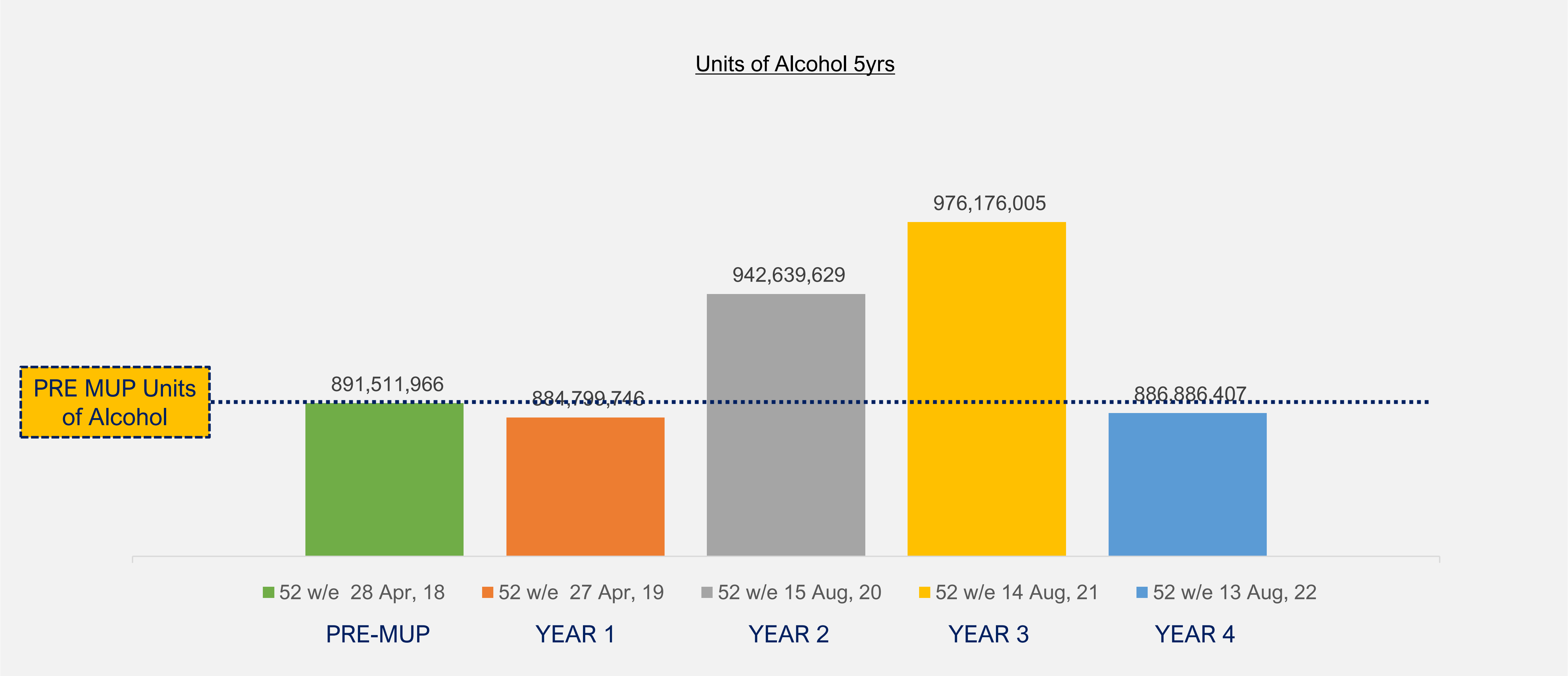
PERRY

1st Year of MUP	Last 3 years
Perry is the second hardest hit segment as a consequence of MUP with Volume decline across the 2 main brands, primarily Lambrini (Btl) followed by Country Manor (Box) which between them make up 90% of the category. This Volume decline has removed -10.7M Units of Alcohol from the Scottish Market.	Perry Units of Alcohol contribution has been eroded over time. Over the last 4yrs it has lost -59M Units of Alcohol
Lambrini is a Glass Bottle brand and its net -30% Volume loss is driven by the demise of its 7.5% ABV 1.5L Btl which posted -73% decline. Some of this decline has been offset the decision to introduce a new 1.25L Btl with a 6% ABV.	Lambrini, as the market leader, has continued to lose volume resulting in -4.1M Units of Alcohol being removed from the category in the last 2yrs
Country Manor is a 7.5% ABV Perry and only available in a 3L Box which has suffered significant -80% YoY decline.	

Source: IRI BWS Data 13th Aug 2022

STILL WINE

Still Wine has introduced an incremental +124M Units of Alcohol into Scottish Homes since MUP



Source: IRI BWS Data

STILL WINE

1st Year of MUP	Last 3 years
Own Label is hit hardest as 3L Boxed Wine (a segment dominated [80%] by Own Label) loses -52% of its volume. The demise of 3L Boxed Wine has removed 20M Units of Alcohol from the Wine category however two thirds of this (14M) simply came back into the category via the smaller 2.25L Box.	The Alcohol Unit contribution of Wine continues to rise YoY after MUP implementation …until this year.
There has been growth in the 2.25L Boxed Wine format across both Own Label and Brands as a consequence of retailers and branded manufacturers shrinking their pack sizes to purposefully hit on-shelf price points that are more acceptable to the Supermarket shopper.	The impacts on the Still Wine category happened in the first year of MUP implementation.
The standard bottled wine market (75cl) was largely unaffected by MUP whilst larger 1L and 1.5L Bottles have declined.	

Source: IRI BWS Data 13th Aug 2022

BRAND PERFORMANCE IN DETAIL

FORTIFIED PERFORMANCE – "BRITISH"

Within Fortified "British" Buckfast and Eldorado dominate the contribution to Alcohol Units

	VALUE			VOLUME			ALCOHOL UNITS			ALC UNITS VARIANCE	
	52 w/e 15 Aug, 20	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 15 Aug, 20	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 15 Aug, 20	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22
Eldorado	£3,742,071	£3,159,317	£4,065,260	390,016	334,740	408,264	5,850,244	5,021,106	6,123,956	-829,138	+1,102,850
Buckfast	£47,976,537	£48,401,884	£51,137,448	4,424,049	4,513,119	4,553,242	66,360,734	67,696,786	68,298,635	+1,336,051	+601,849
Magnum	£433,454	£1,281,780	£1,364,576	25,957	75,887	80,641	337,440	986,525	1,048,329	+649,085	+61,805
Sanatogen	£56,463	£55,137	£62,318	6,290	6,204	7,371	94,351	93,054	110,565	-1,297	+17,511
Harvest	£5,898	£8,729	£24,296	1,120	2,203	5,109	14,563	12,670	29,225	-1,894	+16,556
Lindisfarne Mead	£2,457	£5,968	£6,564	184	448	493	2,860	6,945	7,638	+4,085	+693
Yates	£1,938	£1,511	£1,761	187	145	174	3,271	2,536	3,045	-735	+509
Royds	£0	£139	£791	0	24	111	0	134	610	+134	+476
Bottle Green	£22	£15	£80	4	3	16	66	44	239	-22	+195
Cornish Mead	£470	£312	£0	41	30	0	700	517	0	-183	-517
Cairn O Mohr	£11,131	£2,800	£439	1,040	259	39	13,831	3,442	522	-10,389	-2,920
Felix Solis	£0	£69,878	£68,423	0	11,015	10,548	0	165,218	158,220	+165,218	-6,998
Harvest Gold Mead	£32,245	£35,896	£28,350	4,752	5,290	4,069	71,285	79,349	61,037	+8,064	-18,312
Old Westminster	£121,162	£115,646	£100,419	18,190	16,451	14,178	236,465	213,869	184,318	-22,596	-29,551
Mansion House	£15,208	£18,650	£272	2,103	2,825	38	27,344	36,724	500	+9,380	-36,225
Winter Warmer	£109,086	£107,245	£97,440	25,070	26,397	22,368	376,043	395,955	335,520	+19,913	-60,435
Qc	£759,163	£857,734	£799,898	98,001	108,524	98,337	1,470,019	1,627,855	1,475,057	+157,836	-152,799
Own Label	£1,141,301	£998,645	£916,952	218,108	198,545	185,403	3,271,625	2,978,175	2,781,043	-293,449	-197,133
Grand Total	£54,408,845	£55,121,395	£58,675,337	5,215,149	5,302,125	5,390,408	78,131,332	79,321,161	80,618,565	+1,189,829	+1,297,404

Source: IRI BWS Data 13th Aug 2022

CIDER PERFORMANCE – "STRONG"

Strong Cider in Scotland continues its decline

	VALUE			VOLUME			ALCOHOL UNITS			ALC UNITS VARIANCE	
	52 w/e 15 Aug, 20	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 15 Aug, 20	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 15 Aug, 20	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22
Polaris Extra Strong	£41,388	£72,717	£102,935	22,679	39,785	130,181	170,094	298,388	976,356	+128,294	+677,968
Pulse Extra Strong White Cider	£1,871	£0	£0	499	0	0	3,742	0	0	-3,742	+0
White Star	£148	£9,299	£67	84	2,480	4	632	18,598	33	+17,966	-18,565
Hcc Black Cider	£544,867	£448,774	£363,965	135,947	110,298	89,047	1,019,605	827,237	667,851	-192,368	-159,386
Hcc Black Cider Pear	£320,513	£193,993	£55,191	79,235	47,494	13,537	594,261	356,203	101,526	-238,058	-254,677
Frosty Jack's	£2,879,422	£1,844,867	£1,089,090	1,022,840	623,014	400,707	7,659,261	4,672,607	3,005,300	-2,986,654	-1,667,307
K Cider	£4,295,988	£3,634,601	£2,336,552	2,089,097	1,701,409	586,526	16,712,775	13,611,271	4,692,211	-3,101,505	-8,919,060
Grand Total	£8,084,195	£6,204,252	£3,947,801	3,350,382	2,524,480	1,220,002	26,160,370	19,784,303	9,443,277	-6,376,066	-10,341,027

Source: IRI BWS Data 13th Aug 2022

SUMMARY SLIDE POST MUP

SUMMARY – IMPACT AFTER 1ST YEAR

We are seeing an unnatural distortion of the alcohol market resulting in own label decline, reduced competition and consumption displacement affecting the poorest households the most.

OWN LABEL DEMISE

Own Label Volume has severely declined because of MUP to the point that some Own Label lines have been removed from ranges consequently denying choice amongst the poorest of consumer households

Category	Own Label Volume %CHG	Own Label proportion (%) of overall category decline
SPIRITS	-20%	28%
FORTIFIED	-13%	53%
WINE	-7%	13%
LAGER	-37%	11%
ALE & STOUT	-10%*	3% *
CIDER	-47%	12%

*Excludes Retail Exclusive Brands e.g. Asda Hawksridge, Tesco Crofters, & the Discounter brands such as Aldi Taurus and Lidl Woodgate.

REDUCED COMPETITION

Shopper choice has also been reduced within Brands. Certain Pack Sizes, Packaging Formats, Brands and Manufacturers have been disproportionately affected as retailers modify ranges forcing volume to transfer to the remaining competitor products.

CONSUMPTION DISPLACEMENT

The evidence points to consumers switching from lower/mid strength Long Alcoholic Drinks to other higher strength alcohol categories, that deliver a far higher concentration of alcohol units/litre.

1 A surge in growth of 8% ABV and 15% ABV caffeinated alcoholic drinks

2 Higher ABV Premium Lager winning at the expense of Standard Lager

3 Spirits Volumes have seen strong growth as consumption increases

Source: IRI BWS Data to 13th Aug 2022

OVERALL SUMMARY

Own Label declines across all categories except RTD

OWN LABEL DEMISE

		52 w/e 28 Apr, 18	52 w/e 27 Apr, 19	52 w/e 15 Aug, 20	52 w/e 14 Aug, 21	52 w/e 13 Aug, 22	2018 vs 2022
Spirits	Own Label	3,612,753	2,900,582	2,998,068	2,783,040	2,485,100	
			-20%	+3%	-7%	-11%	-31%
Fortified	Own Label	1,035,103	903,031	941,859	949,585	844,252	
			-13%	+4%	+1%	-11%	-18%
RTD	Own Label	288,017	460,959	658,099	713,678	706,722	
			+60%	+43%	+8%	-1.0%	+145%
Still Wine	Own Label	18,782,221	17,526,193	18,187,959	18,623,750	17,101,137	
			-7%	+4%	+2%	-8%	-9%
Lager	Own Label	2,520,665	1,597,337	1,822,118	1,449,914	1,152,624	
			-37%	+14%	-20%	-21%	-54%
Ale	Own Label	472,600	425,378	265,749	258,720	233,230	
			-10%	-38%	-3%	-10%	-51%
Stout	Own Label	0	880	90	0	298	
			#DIV/0!	-90%	-100%	#DIV/0!	#DIV/0!
Perry	Own Label	21,975	61,287	471	916	882	
			+179%	-99%	+95%	-4%	-96%
Cider	Own Label	3,951,729	1,919,502	1,359,793	1,125,386	880,274	
			-51%	-29%	-17%	-22%	-78%
Total Alcohol	Own Label	30,685,061	25,795,149	26,234,205	25,904,989	23,404,518	
			-16%	+2%	-1%	-10%	-24%

REDUCED COMPETITION

Most pack choice was lost in Yr1 when 20pks of Lager and 3L 'Bag-in-Box' were removed from ranges.

At the same time PET choice and 1L spirits choice was reduced although some remain

CONSUMPTION DISPLACEMENT

It is not possible to prove that there is switching or substitution, however it is still true that …

1 **A surge in growth of 8% ABV and 15% ABV caffeinated alcoholic drinks**

Source: IRI BWS Data to 13th Aug 2022