



Cork Finished Brands Continue Sales Success

Cork Finished Wines Outsell Alternatives

The Cork Quality Council periodically conducts surveys of wine sales by closure type. Data for this update are from wine sales reported by A.C. Nielsen during the 4-week period ending January 1, 2022. This ten-year comparison is made to the 4-week period ending January 9th, 2010.

The study is focused on premium domestic table wine, which for this purpose, is defined as wines packaged in 750ml bottles from Brands averaging \$6 and up. Results indicate that the number of top brands using cork closures is growing, and that brands finished with cork have enjoyed more robust sales growth than brands finished with alternative closures.

Case sales for the most current period show an overall increase in the Top 100 Premium Brands of 54% over the past ten years. This growth is primarily due to increases in sales of cork finished wines, which posted a 79% increase over 2010. Sales of wines from the Top 100 Premium Brands using alternative closures display growth of 10% over the same period.

Case Sales by Closure Type

4 Weeks Ending	1/1/2022	1/9/2010	Change	%
Cork Closures	1,325,007	741,134	583,873	79%
Alternatives	728,061	661,561	66,500	10%
Total Top 100	2,053,068	1,402,695	650,373	46%

Methodology - Brands selected are the top 100 domestic table wine brands ranked for gross revenue from 750ml sales during the previous 12 months. Selected Premium Brands are those that average over \$6 per bottle during the twelve month period. Nielsen surveys include all US metro areas.

The change is due to a combination of brands switching closure type, and some brands falling out of the Premium category as average sales price fell below \$6 for several brands primarily using alternative closures. Several brands in the top 100 have also been replaced due to changes in sales volume. The majority of additions to the top 100 have been from brands primarily using cork closures.

Sales revenue by closure type shows a 115% increase for wines from the Top 100 Premium Brands using cork closures. Revenues from wines using alternative closures increased 34% over the same period.

Sales Revenue by Closure Type (000)

4 Weeks Ending	1/1/2022	1/9/2010	Change	%
Cork Closures	\$213,208	\$100,870	\$112,338	111%
Alternatives	\$100,652	\$70,327	\$30,325	43%
Total Top 100	\$313,860	\$171,197	\$142,664	83%



Survey Reveals that Cork Closures Seal 91 Percent of the World's Top Wines

Cork is the most popular closure in the wine industry, sealing nearly 70 percent of all wines, but the percentage is much higher when it comes to the world's top-rated wines. A recent Nielsen report that tracked the top 100 Premium Brands from 2020 found that US consumers preferred cork to alternatives in every price category, particularly in wines above \$10—it's used by 90 percent of domestic wines over \$20—and that trend continued in 2021.

According to a recent survey conducted on behalf of 100% Cork, 91 percent of the world's top wines selected by Wine Spectator in 2021 are sealed with cork closures. The survey further revealed that of the 33 domestic wines selected for the magazine's Top 100 list, 31 were bottled under cork (94 percent), while 60 of the 67 imported wines that made the list were also sealed with cork (89.5 percent).

100% Cork has conducted surveys of Wine Spectator's Top 100 every year since 2016, with cork closure usage historically ranging from between 84 percent to 90 percent of the wines selected for the list. 2021 represents the highest number recorded since the survey began

Wines Under Natural Cork Excel in the Marketplace

Cork Finished Wines Outsell Alternatives...

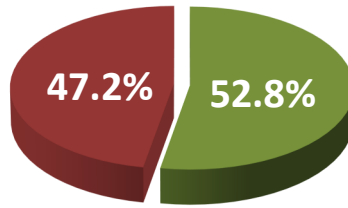
Over the past ten years the mix of Top 100 Premium Domestic Wines has shown a significant shift toward cork finished wines.

Case sales of cork finished wines have gone from 53% in January 2010 to a figure of 65% seen in the current period. The same Nielsen surveys show that revenue from cork finished wines generate nearly 70% of total sales revenue for the Top 100 brands.

Trend Analysis

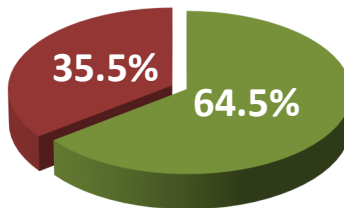
Wines with cork closures have displayed a positive trend throughout the past ten years. The comparison of sales by closure type for each 52 week period shows an increase of 50% for cork finished wine. This is 17 times higher than the observed growth for Top 100 wines with alternative closures, which are +3% over the same period.

Starting Mix 1/09/2010



■ Cork Closures
■ Alternatives

Current Mix 1/01/2022



■ Cork Closures
■ Alternatives

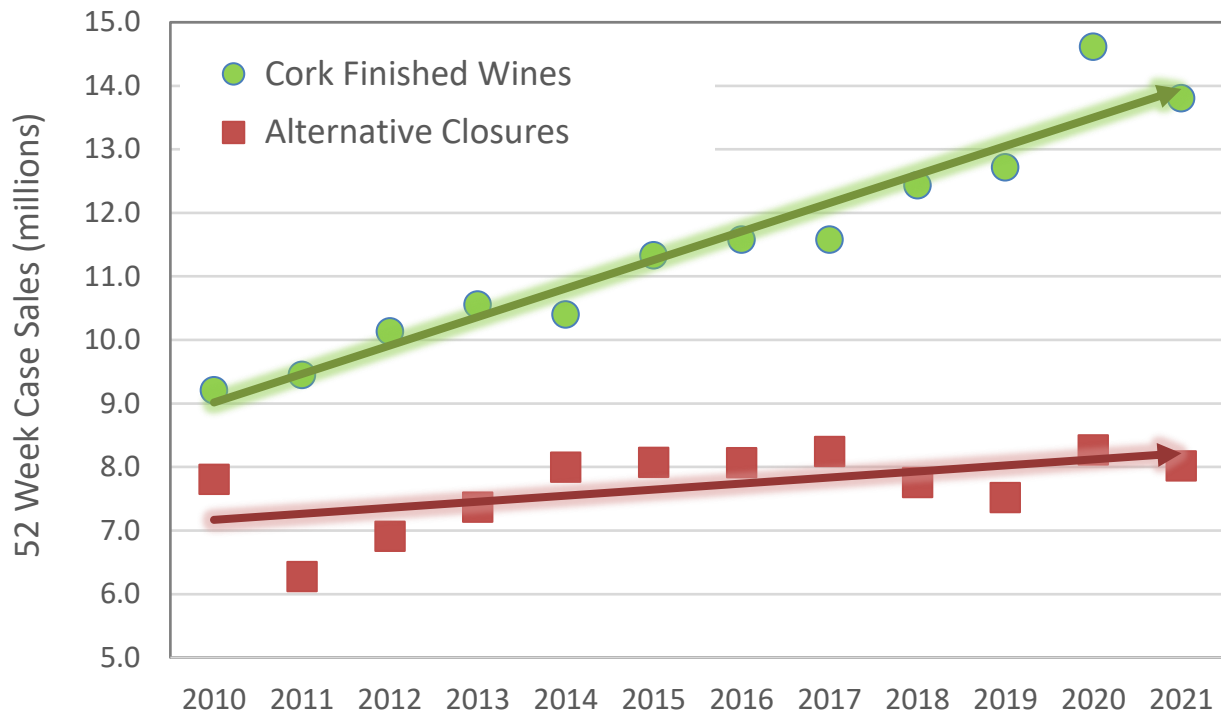
Consumer Survey

In a 2011 study of consumer attitudes, Tragon Corporation interviewed 300 US wine consumers to identify the key factors influencing their purchasing decisions.

In their conjoint analysis of purchasing factors wine closure was most important to their purchase decision and natural cork was the key positive driver. Price point was next, with the \$10 to \$15 price point as most desirable. Varietal and country of origin were least important among these choices.

Respondents were asked how closure type influence their perception of wine quality. An overwhelming 93% of consumers agree that natural cork conveys wines of high or very high quality. This is 3 times higher than synthetic closures and 9 times higher than screw cap

Sales Trend by Closure Type for Top 100 Premium Brands



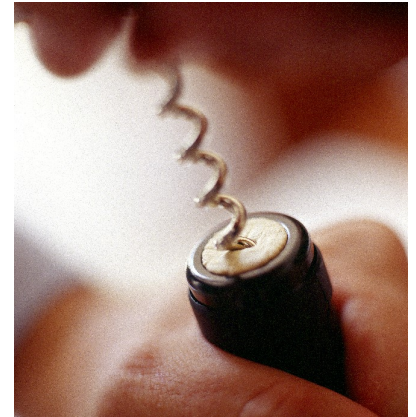
Wines Under Natural Cork Excel in the Marketplace

Distribution by Price Category

Sales Revenue by Price Category for the most recent period -

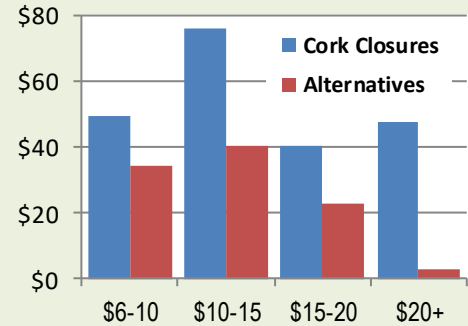
Nielsen Scans for the Top 100 Premium Wine Brands were sorted into pricing categories to measure distribution of revenue by closure type. Overall sales for the 4-week period ending 1/01/2022 was \$314 million.

Sales from cork finished wines continue to dominate all price points over \$6 per bottle with revenues equal to 68% of the total. Revenues from cork finished wines under \$10 have shown an upswing and now account for over half of that category. Nearly all wines over \$20 were finished in cork with 94% of that segment.



4-Week Revenue by Price Point (millions)

Price Point	Cork	Alternative	Total
\$6-10	\$49.3	\$34.5	\$83.7
\$10-15	\$76.1	\$40.4	\$116.5
\$15-20	\$40.1	\$23.0	\$63.1
\$20+	\$47.7	\$2.8	\$50.5
Total	\$213.2	\$100.7	\$313.9



Change of the past ten years...

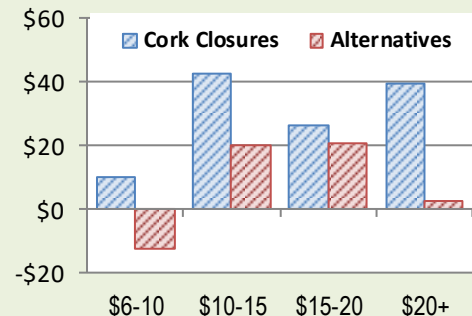
Comparison of sales revenue shows that cork finished brands gained \$118 million for the last 4-week period of December compared to a similar period in 2010.

The greatest increase occurred in the \$10-\$15 category, where cork finished wines from the Top 100 Premium Brands grew by \$43 million. The second largest variance between closure types was seen in the +\$20 category. There, cork finished wines increased by \$40 million compared to an increase in alternatives of \$2 million.

Alternative closures showed a decline of -\$12.6 million in the \$6-10 category. This reflects some of the lower priced brands dropping below the \$6 threshold, and some brands in this group switching to cork closures.

Revenue Change by Price Point (millions)

Price Point	Cork	Alternative	Total
\$6-10	\$9.9	-\$12.6	-\$2.8
\$10-15	\$42.6	\$20.0	\$62.6
\$15-20	\$26.1	\$20.7	\$46.8
\$20+	\$39.7	\$2.2	\$41.9
Total	\$118.3	\$30.3	\$148.6



Comparison of Nielsen Data to Total US Wine Sales

This report is based on Nielsen data from retail surveys primarily generated by scanned data from supermarkets. Data does not reflect on-premise sales or sales from smaller wine shops.

For the year 2020 total sales expressed from Nielsen surveys were 25% of the total wine sales reported by the Wine Institute.

In 2021, our target study group - US brands wines priced at >\$6 for 750ml bottles - represent 95% of revenue from domestic 750ml bottles. The Top 100 Brands represent 63% of that group.

2021 Nielsen Revenue	% of All Wine Sales	% of US Wine Sales	% of US Bottles	% of US 750ml	% of Premium 750ml
Total Wines	100%				
All Domestic	71%	100%			
US Glass Bottles	64%	89%	100%		
US Glass 750ml	54%	76%	85%	100%	
US 750's >\$6	51%	72%	80%	95%	
Top 100 Premium	32%	45%	51%	59%	63%
Premium Rnk >100	19%	27%	30%	35%	37%
US 750's <\$6	3%	4%	5%	5%	
US Glass 1.5	7%	10%	13%		
US Glass Other	2%	3%	4%		
US Bag'n'Box	6%	9%			
US Other Pkgs	1%	2%			
All Imports	29%				

Pricing by Closure Type

This 2021 study of the Top 100 Premium Wine Brands shows significant difference in pricing based on closure type. Wines finished with cork closures show a median bottle price of \$15.60. This is \$4.42 (+40%) higher than the median price seen from wines using alternative closures.

The average bottle price for cork finished wines was \$13.06 in 2021. This was \$1.53 higher than seen from wines with alternative closures.

Pricing Comparisons

52 Weeks - 2021	Cork Finish	Alternatives	Diff	Percent
Median Price	\$15.60	\$11.18	\$4.42	39.5%
Average Price	\$13.06	\$11.53	\$1.53	13.3%

Cork Pricing

Cork finished wines are represented by 959 (71%) of individual wines from the Nielsen Scan from 1/01/2021. The median price was \$15.60 with 335 wines priced over \$20.

Alternative Closures

Wines with alternative closures are represented by 387 individual wines from the Nielsen Scan from 1/01/2021. The median price was \$13.06 with 32 wines priced over \$20.

Cork Quality Council Members

- Amorim Cork America,
- Cork Supply USA,
- Lafitte Cork & Capsule,
- M.A.Silva USA,
- Portocork
- Scott Laboratories

www.corkqcc.com

Why Focus on Premium Wine Brands?

Our Nielsen surveys have targeted domestic 750mL bottles from brands with an average price of over \$6. This group was originally selected because this group was a primary focus for cork sales.

In 2021 this category produced 72% of all domestic wine sales revenue on 48% of case volume. More importantly, this group appears to be the driving packaging type for growth in the domestic wine industry.

Since 2010, revenue from 750mL bottles >\$6 have increased by 129%. Other packages have been relatively flat over the same period.

US Wine Revenue by Package Type
Nielsen Wine Scan 2010-2021

