

Press Release

WINE (UIV-VINITALY OBSERVATORY): ITALY: TOWARDS A RECOVERY ON TOP INTERNATIONAL MARKETS. FLAT VOLUMES (-0.2%) AND VALUES (+1.3%) THROUGH MODERN RETAIL DISTRIBUTION IN USA, UK AND GERMANY

(Rome, 2 August 2023). Sales of Italian wine on the shelves of large-scale distribution and retail chains on the top three world markets made a recovery in the first half of this year. Overall, according to the UIV-Vinality Observatory analysing the latest Nielsen-IQ data, Italian sales to the USA, Germany and the UK closed the half year with a flat trend in terms of volume (-0.2%) and a slight increase in value (+1.3% to 2.2 billion euros). This performance - commented the Observatory - is better than in the first quarter (-4% volume and -1% value) but still not enough to provide breathing space for companies in a sector still heavily penalized by higher costs coming to around 10% of average prices.

Total volumes of still and semi-sparkling wines sold posted +0.7%, thanks to increases in the UK (+3.2%) and above all in Germany (+4.2%), backed up by strong demand for "low cost" Italian semi-sparkling wines. By contrast, still wines fell by 7.4% in the USA. Sparkling wines, on the other hand, saw a downturn of 2.8%, with the USA up (+2%) but offset negatively by the United Kingdom (-6%) and Germany (-3.8%).

Maurizio Danese, Managing Director of Veronafiere, said; "We must ensure that economic difficulties do not turn into structural ones; in these situations, involvement and promotion by the Italian flagship wine brand is vital. And this is why, from September to December this year Vinality will set in motion a new internationalization campaign with 25 appointments embracing trade fairs, roadshows and incoming events for the next event in Verona itself organized in 15 countries and 4 continents."

"Compared to the first quarter," said the Secretary General of Unione Italiana Vini (UIV), Paolo Castelletti, "we saw a timid recovery but still too weak when the tensions in by the sector are taken into consideration. The boost in volumes sold in Germany follows "cooler" price lists which, in the last quarter instead of increasing fell on average by 4% - down even when compared to the first half of 2022. There were variations in average prices, that we believe are too low, even in the USA and the UK of 4% and 3% respectively."

Out of sales worth 2.2 billion euros, 960 million (-0.3% trend, -4.4% by volume) came through purchases of Italian wine by large-scale distribution in the USA; sales of more than 840 million euros were posted in the UK (+2.4%, with volumes at -0.5%) and 400 million from Germany (+2.9%, +3.7% volumes). Leadership by volume goes to Germany (84 million litres sold out of a total of 231 millions in the 3 countries) but the average shelf price of 4.7 euros per litre is 3 times lower than in the United States (14.3 euros) and less than half compared to the UK (10.5 euros). In general, growth in prices for still/semi-sparkling wines is flat (+0.3%) while sparkling wines posted an increase of 4.9%. Prosecco, the main Italian denomination sold worldwide, posted -2% in volumes (good in the USA, still negative in the UK albeit making something of a recovery) and a +3.2% in values, worth 675



million euros, thereby accounting for 31% of all Italian wine sold through off-trade channels in the 3 countries.

Press Office - Unione Italiana Vini: ispropress

Simone Velasco (327.9131676 – simovela@ispropress.it); Benny Lonardi (393.4555590 – direzione@ispropress.it); Marta De Carli (393.4554270 – press@ispropress.it)

Veronafiere Press Service Tel.: + 39.045.829.83.50 - 82.42 - 82.10 - 82.23 |

E-mail: pressoffice@veronafiere.it Twitter: @pressVRfiere | Facebook: @veronafiere |

Web: www.veronafiere

Director - Press Office: Carlo Alberto Delaini (335.7367388 - delaini@veronafiere.it)

Italian Sparkling Wines

% Variations Jan-Jun 2023/2022

Value and price variations in local currencies

Volume – Value – Price

Analysis by UIV-Vinality Observatory based on Nelson-IQ data

Italian Still Wines

% Variations Jan-Jun 2023/2022

Value and price variations in local currencies

Volume – Value – Price

Analysis by UIV-Vinality Observatory based on Nelson-IQ data