



AZUR

ASSOCIATES

WINE MARKET + M&A REVIEW

ANNUAL SUMMARY + 2026 OUTLOOK

OVERVIEW

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THE NEW FRONTIER

THE NEW FRONTIER | *From Expansion to Rationalization – A Reset*

“When Supply Outruns Demand, Strategy & Focus Matter More Than Scale”⁽¹⁾

All growth has natural limits, maturity or decline.

The wine industry is no longer demand constrained by supply. It is supply constrained by relevance.

Relevance will require adapting to the new reality of consumer behavior.

LEGACY ENVIRONMENT VS. NEW REALITY

FACTOR	LEGACY ENVIRONMENT	NEW REALITY
DEMAND	Steady Growth	Decline to Slow but still Bumpy
PREMIUMIZATION	Reliable + Broad	More Nuanced/Segmented
CAPACITY (Winery, Vineyard, Distribution & Capital)	Expanded Ahead of Demand	Resetting

⁽¹⁾ This insight is anchored to Michael Porter's "The essence of strategy is choosing what not to do."

STRUCTURAL + CYCLICAL FACTORS | *Multiple Forces At Once*

Several major forces converge simultaneously.

We are navigating a structural demand reset intersecting with a historic capital over-build cycle.



DEMAND DECLINE

Demographics & consumer behaviors are shifting, alongside a surge in choice across beverage alcohol and other categories.



PRICE INFLATION + COMPETITIVENESS

In particular in DTC, under the guise of premiumization, prices rose as consumers had less to spend. Across markets, wine is expensive relative to other beverage alcohol.



SUPPLY OVERBUILD

Premium wineries & vineyards increased at the same time demand was starting to shift.



DISTRIBUTION DISRUPTION

Demand shifts impacted retail and on-premise accounts. Distributors had to change their models. The 'who' and 'how' are still evolving and access will be more precise & limited.



CAPITAL RETREAT

Once an attractive category for asset-based lending, recent high-profile bankruptcies and forced sales have reset lending standards, as well as the availability and price of capital.

INDUSTRY OVER-BUILD LIFE CYCLE FACTORS | *Fine Wine Category*



A CAPACITY DECLINES SLOWER THAN DEMAND

No one wants to be the first to shut down.

Fixed costs + optimism delays action.

Emotion: **Pride**

B BRAND ATTRITION LAGS CAPACITY

Many brands & assets linger longer than economics justify.

Hope for recovery extends exits.

Emotion: **Loyalty**

C LAND AND AGED INVENTORY MASK WEAK ECONOMICS

Wineries hold high-cost inventory and multiple unsold vintages.

Vineyard land values have not fully reset.

Emotion: **Overconfidence**

D DOWNTURN REWARDS STRONG BALANCE SHEETS

Excess inventory and leverage force exits.

Focused operators, with financial discipline, controlled production and strong brands will survive.

Emotion: **Rational**

E THE BEST BUYERS SHOW UP AFTER PRICES RESET

Best buyers are patient, cash rich and not tied to legacy economics.

Creates a strong buying opportunity for the most disciplined.

Emotion: **Astute**

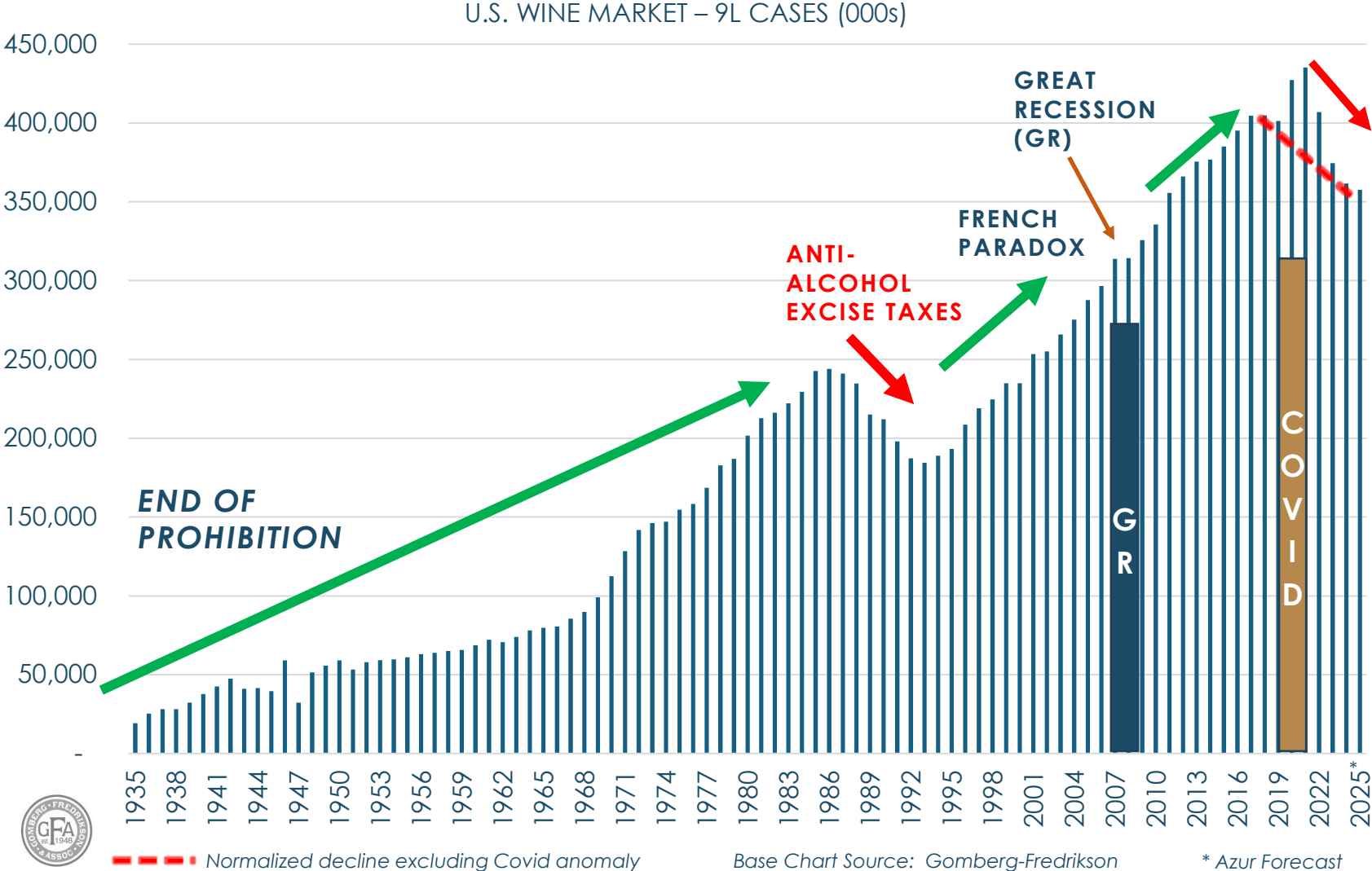
PATTERNS OVER HISTORY



LEGACY VS. NEW REALITY

WINE LEGACY OVER TIME | *A Historical Perspective*

- The U.S. wine category continued to reset in 2025. We expect this **reset to continue in 2026** and the **near-term**.
- Opportunities remain for those who adapt to a more segmented, smaller category that favors **unique boutique high-end wineries** and **focused, scalable premium platforms**.
- Premiumization is slowing and fragmenting. **Brand strength and focus** matter more than ever.
- M&A and capital strategy are shifting rapidly with a focus on precise and unique fits. **Opportunistic asset repurposing** and unbundling vineyards, facilities and brands as well as **route to market control** are increasingly important.
- **We are heading toward a smaller but healthier industry**. There will be lower total volume, however, stronger more focused participants and more discipline.



NEW REALITY | *Where Do We Go From Here?*

STRATEGIC FOCUS + STRATEGIC CHOICES

Ruthlessly prioritize high-impact actions that emphasize your superpower as a brand and/or company.
Say no to all distractions from that, no matter how tempting.

INITIATIVE	BACKGROUND
Focus	Less is more. The outsized winners in wine have been rigorous about the idea “ be famous for 1 thing. ” Growth from Discipline not Scale - Focus on velocity first in a tight geography/account before expanding.
Be Fact Based	Those who know best how to access and apply the right data will have a distinct advantage over time. Facts exist to guide your business and eliminate a lot of guessing. The more you 'measure' the more you 'manage'.
Meet Consumers Where They Are	Consumers have more choices than ever, including what they are doing and how they like to do it. The ability to create accessible entry points that meet consumers where, how and when will win over time.
The Format Follows Occasion	Different Occasions have different needs. Weeknight solo, casual hang, formal dinners, dinner parties, outdoor events, celebrations, etc, are different occasions that benefit from different products, formats, & marketing.
The On-Premise - Reframe	Wine needs to reset how the category approaches and creates value for the consumer across all sub-channels and occasions in the on-premise , at accessible price points for consumers.
Tasting Rooms As Hospitality Centers	The over-capacity of tasting rooms represents an opportunity for a reset to other activities beyond wine and flexibility in meeting consumer needs.
Wine As A Social Connector	Reframe focus as a tool for gathering and reclaim occasions from other categories.
Partner & Collaborate Outside Wine	Partner with occasion owners. Winners in wine will collaborate with partners who control social behavior.



BEVERAGE ALCOHOL + WINE MARKET

SUMMARY + OUTLOOK

BEVERAGE ALCOHOL + WINE MARKET | *How It Was and How It Is*

The beverage alcohol industry has shifted meaningfully in recent years. Following a long period of category growth, market share gain, along with spirits from beer, and temporary COVID-related demand acceleration, the market has entered a period of broad slowdown, with wine experiencing the steepest declines.

Today's environment presents multiple challenges simultaneously: economic and geo-political uncertainty, anti-alcohol sentiment, shifting demographics and lifestyles, evolving consumer behavior, route-to-market disruption, and expanding competition from both within and beyond beverage alcohol. At the same time, brands must compete across more occasions, channels and price tiers than ever before, while breaking through an increasingly crowded and fragmented digital landscape.

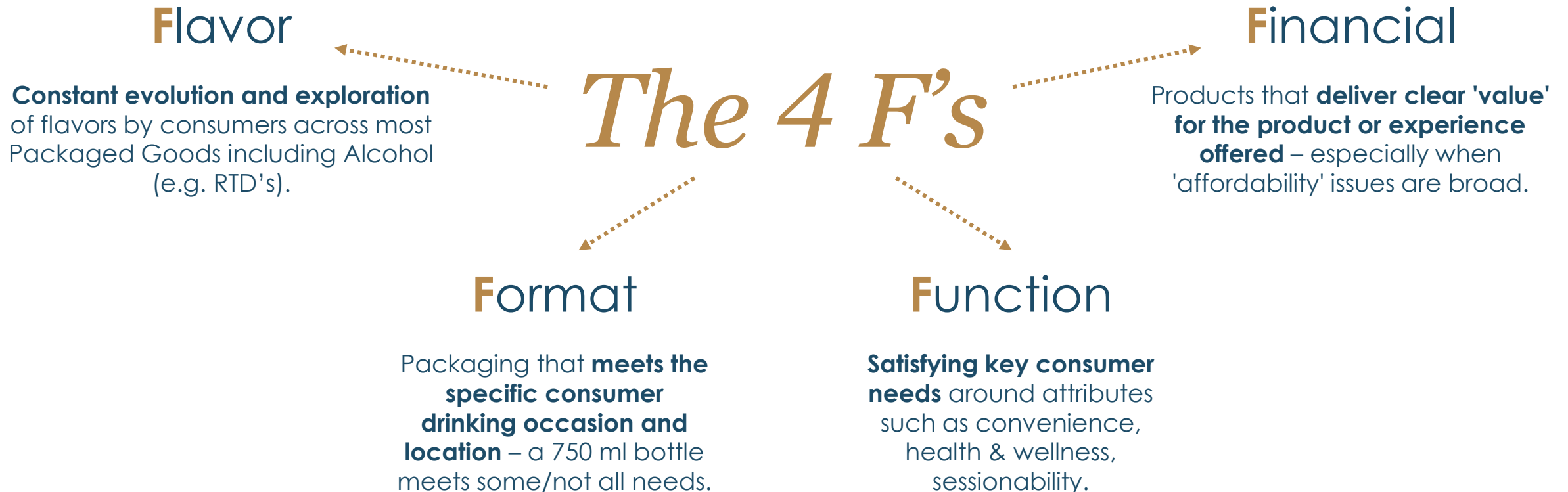
Wine, spirits, and beer have always battled for consumer share, but unlike prior cycles, none are currently delivering meaningful growth. The resulting pressure is impacting nearly every tier of the supply chain, from growers and producers to wholesalers and retailers.

WHAT WAS is not WHAT IS.

The new market reality demands adaptation.

CONSUMER GROWTH DRIVERS | *The Four F's*

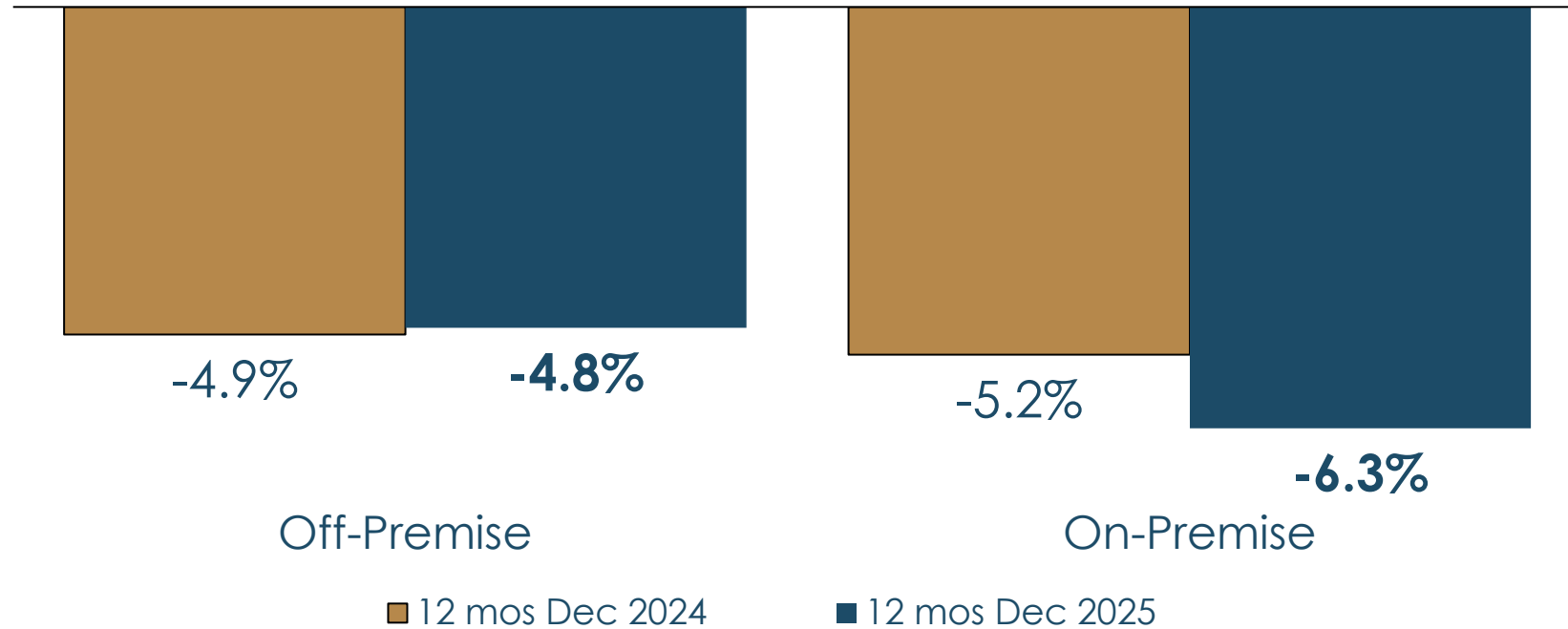
The Wine industry needs to recognize and be responsive to what today's consumers are increasingly seeking in food and beverage.



WINE SPACE, ASSORTMENT, SUPPLIER | *Compressing*

Pressure on inventory and cash management remains, causing Points of Distribution (PODs) to decline in wholesale off and on-premise accounts.

PODs⁽¹⁾ – % CHANGE VS YEAR AGO





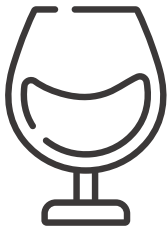







“The keys to future growth are feeding the ‘hot hands’... and to stop trying to make assortment and variety work when all that does is confuse the consumer.”

*Bump Williams
BWC Consulting*

ON PREMISE BY CATEGORY | *Spirits & RTD's Gaining*

In the on-premise, Spirits and RTD's continue to grow in share of consumer expenditures while Wine and Beer are lagging.

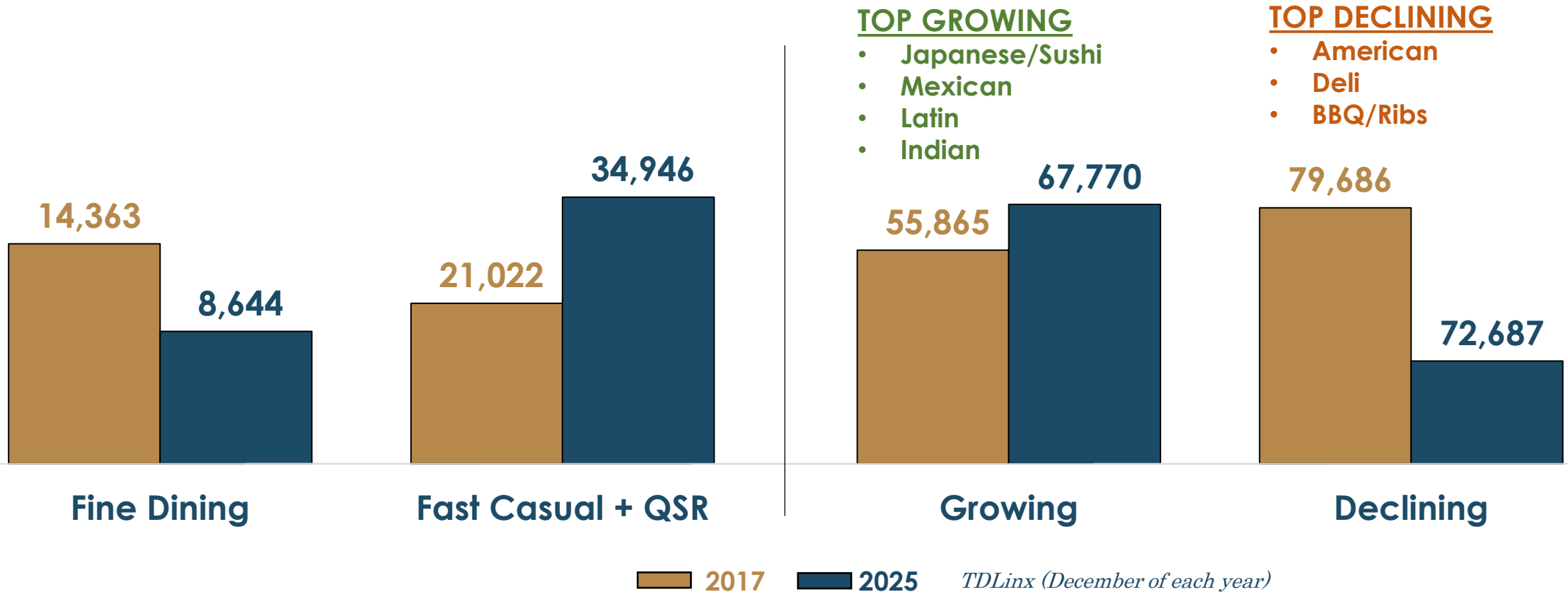
	SPIRITS	BEER <i>(Excl hard seltzers)</i>	WINE	RTDs	HARD SELTZER
\$ Share Change vs YA	 	 	 	 	 
	+1.3pp	-1.4pp	-0.2pp	+0.4pp	-0.1pp
\$ SHARE OF TOTAL BEV ALC	47.6%	37.6%	12.4%	1.5%	0.9%
\$ % CHG VS YA	+2.3%	-4.2%	-2.1%	+32.5%	-13.8%
VOLUME % CHG VS YA	-3.1%	-7.1%	-6.1%	+24.8%	-16.1%

Source: NIQ On Premise powered by CGA intelligence OPM data - megacategory, subsegment, value \$, volume, Rolling 52 W/E 01.24.2026 vs YA

New On-Premise Realities | *Fine Dining In Rapid Decline; Food Types Changing*

The typical dining out occasion has changed. Has your strategy?
 What wines and formats best meet these occasions?

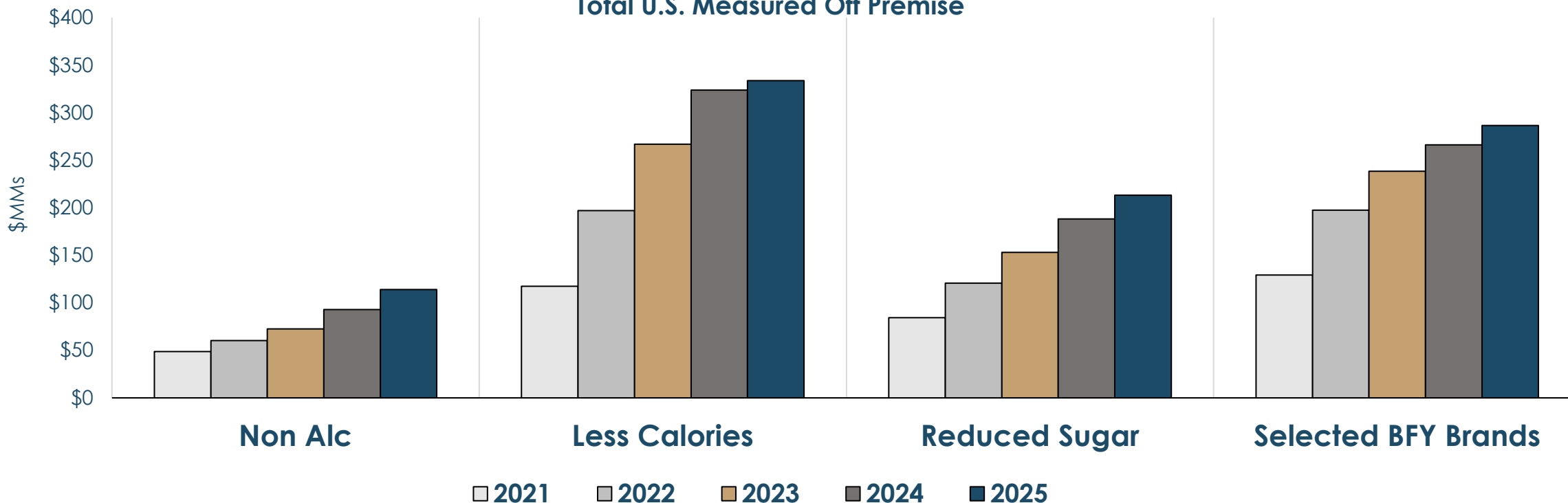
WINE-SELLING ON-PREMISE LOCATIONS – TOTAL U.S.



“Better For You” Segments | *Generally Increasing*

In the pursuit of healthier lifestyles, consumers are increasingly seeking products that they believe are “Better for You (them)” across multiple attributes.

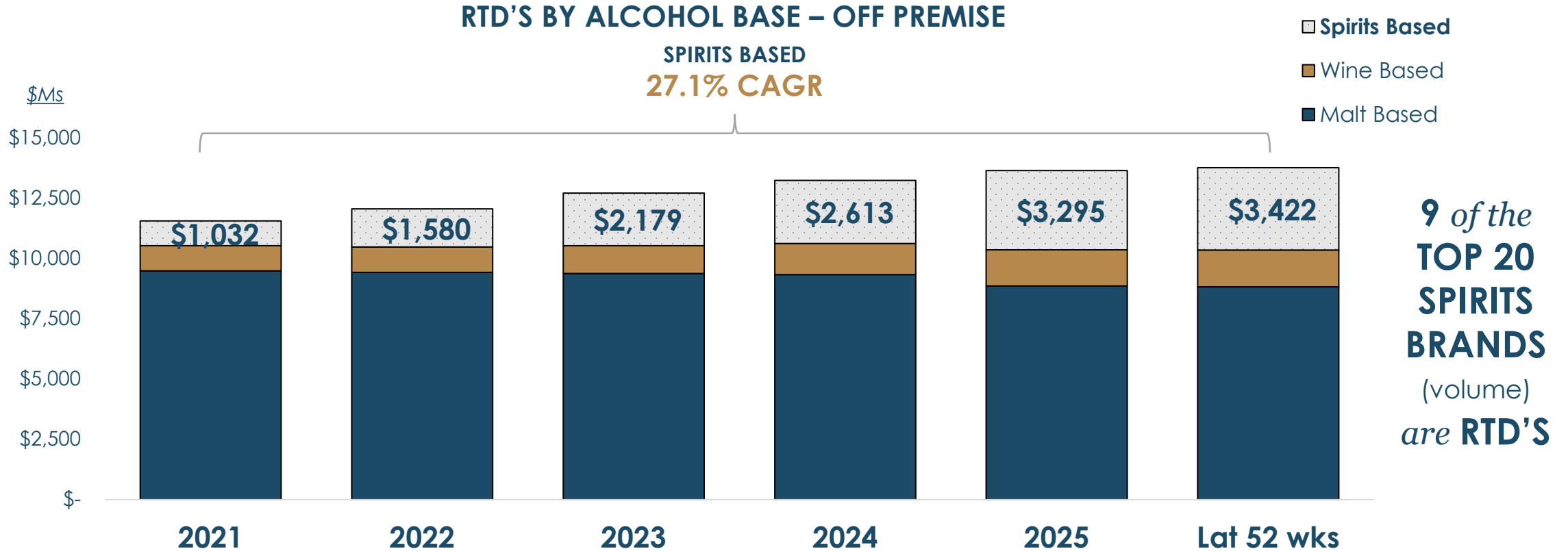
SELECTED “BETTER FOR YOU” SEGMENTS – Dollars
Total U.S. Measured Off Premise



Source: Off Premise Measured Channels; 52 weeks ending Dec 27, 2025; category attributes based on label claims.

SPIRITS BASED PREPARED COCKTAILS | *Continue to Expand*

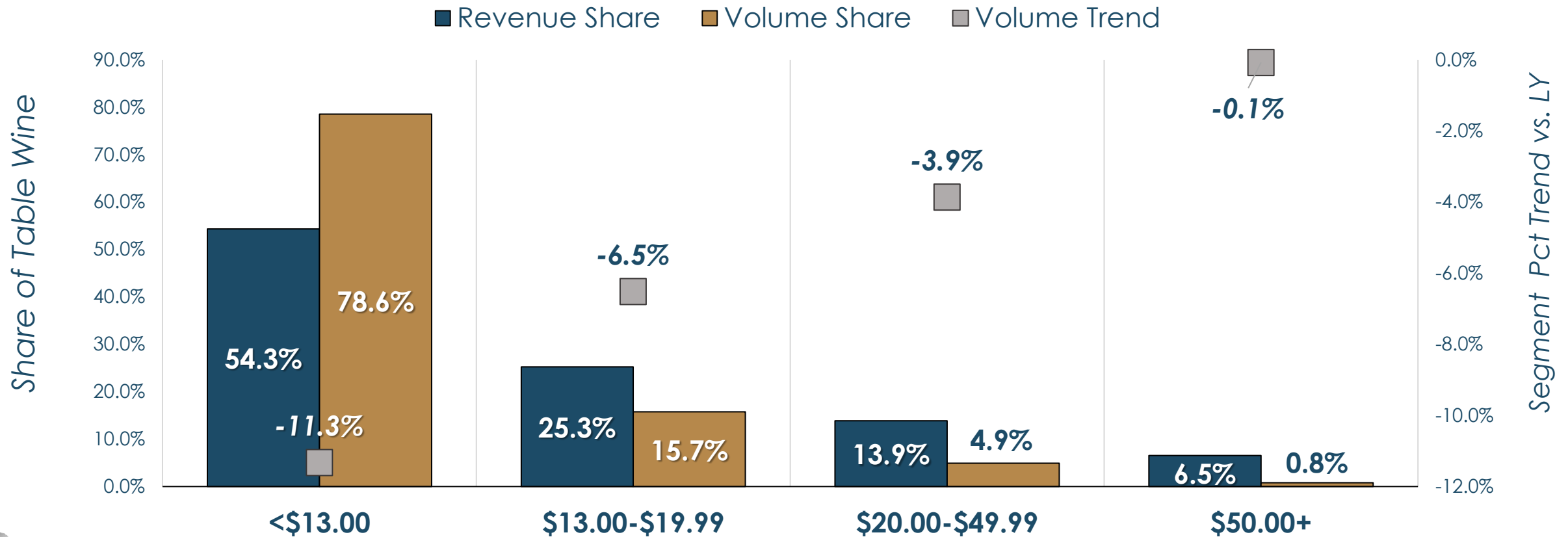
Ready to Drink (RTD) cocktails, especially Spirits based, exhibit significant growth – meeting a number of desired consumer attributes: Flavor, Format, Function, Financial.



Off Premise Measured Channels – 52 weeks ended Feb 21, 2026

U.S. WHOLESALE TABLE WINE BY PRICE TIER | *Better on the High-end*

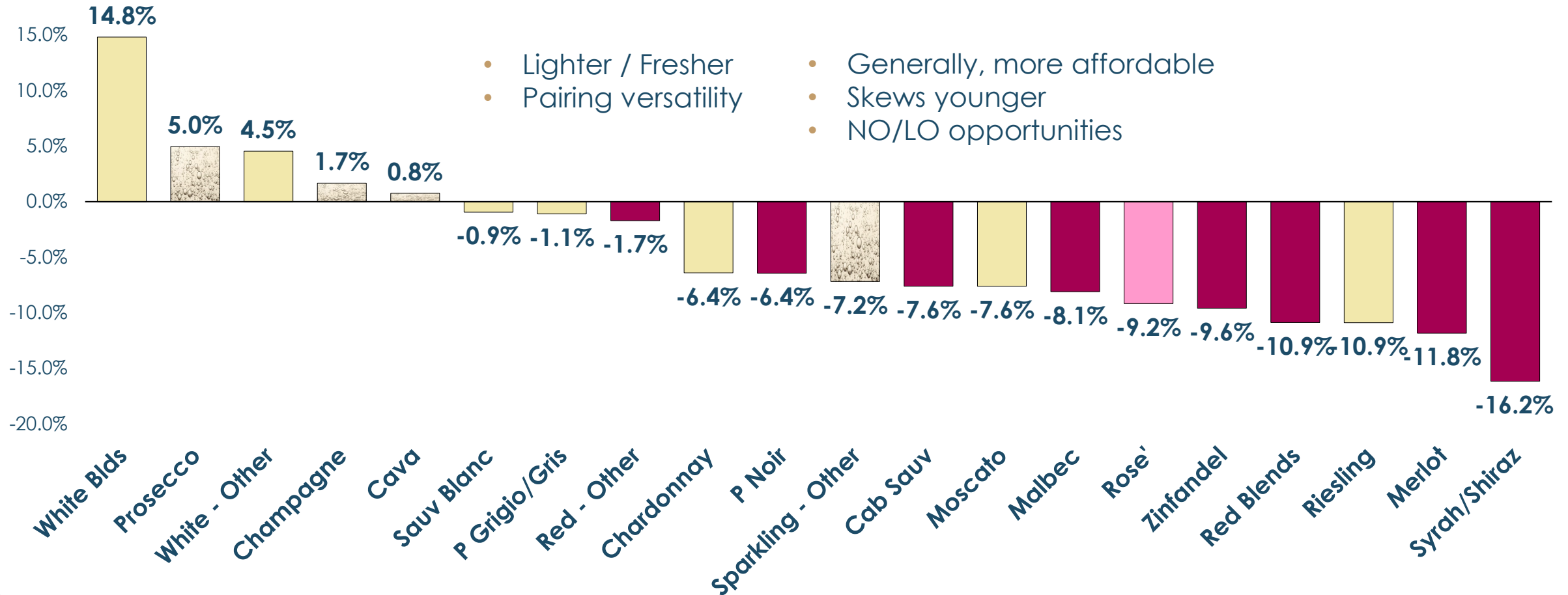
While U.S. wholesale trends are in decline overall, they are better at higher prices and there are pockets of growth within some categories.



Note: Select price segments shown above. February 2026 12-Month Ending.

TABLE WINE BY VARIETAL (\$9+) | *Growth in Light Whites*

In general, white wine trends continue to be favorable, for numerous reasons that align with the new market reality.



- Lighter / Fresher
- Generally, more affordable
- Pairing versatility
- Skews younger
- NO/LO opportunities

PRODUCERS, SUPPLY, CAPACITY + CAPITAL | *How It Was and How It Is*

With demand now the leading constraint, the historical limitations of supply and capacity are resetting. Correspondingly, commercial capital is resetting as well.

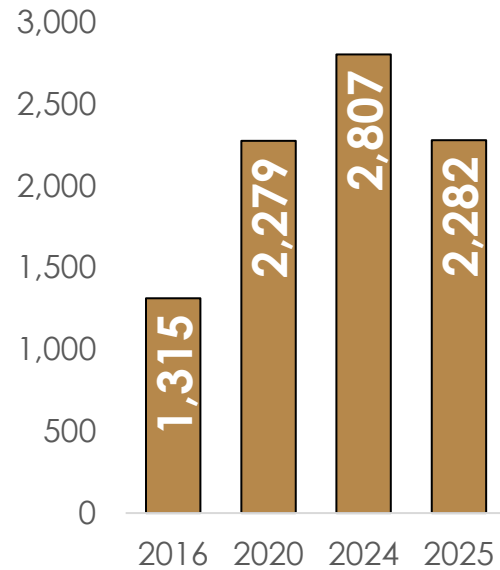
FACTOR	LEGACY ENVIRONMENT	NEW REALITY
WINE PRODUCERS	With growth: “If we build it, they will come.”	Overbuilt capacity and they are not coming. Resetting to a future with fewer wineries .
GRAPE SUPPLY	Historically mother nature drove either supply constraints or excesses.	Vineyard removals lagged demand declines. The reset is in progress , faster in certain regions.
PRODUCTION CAPACITY	More is better to support growth.	Capacity reductions have lagged grape supply. Utilization will be lower until capacity is reduced.
COMMERCIAL CAPITAL	Premium wine considered a good risk category. Flexible, asset-based lending.	Lenders sharply segment premium wine borrowers. Tight, cash-flow based lending.

BEVERAGE ALCOHOL PRODUCERS | *A Future with Fewer Suppliers*

All beverage alcohol sectors overbuilt capacity and are now resetting. With growth being a challenge, likely to see this trend continue across all categories.



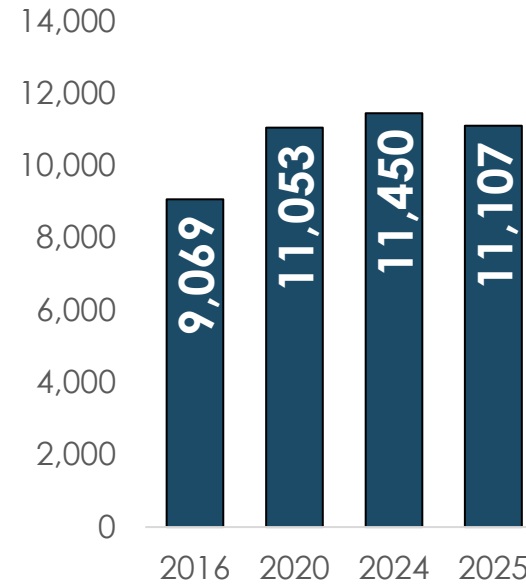
CRAFT SPIRITS



■ Craft Spirit Producers



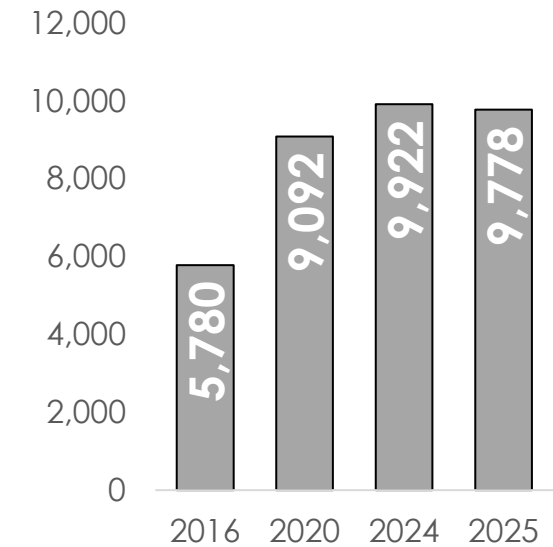
WINERIES



■ Wineries



CRAFT BREWERIES



■ Breweries

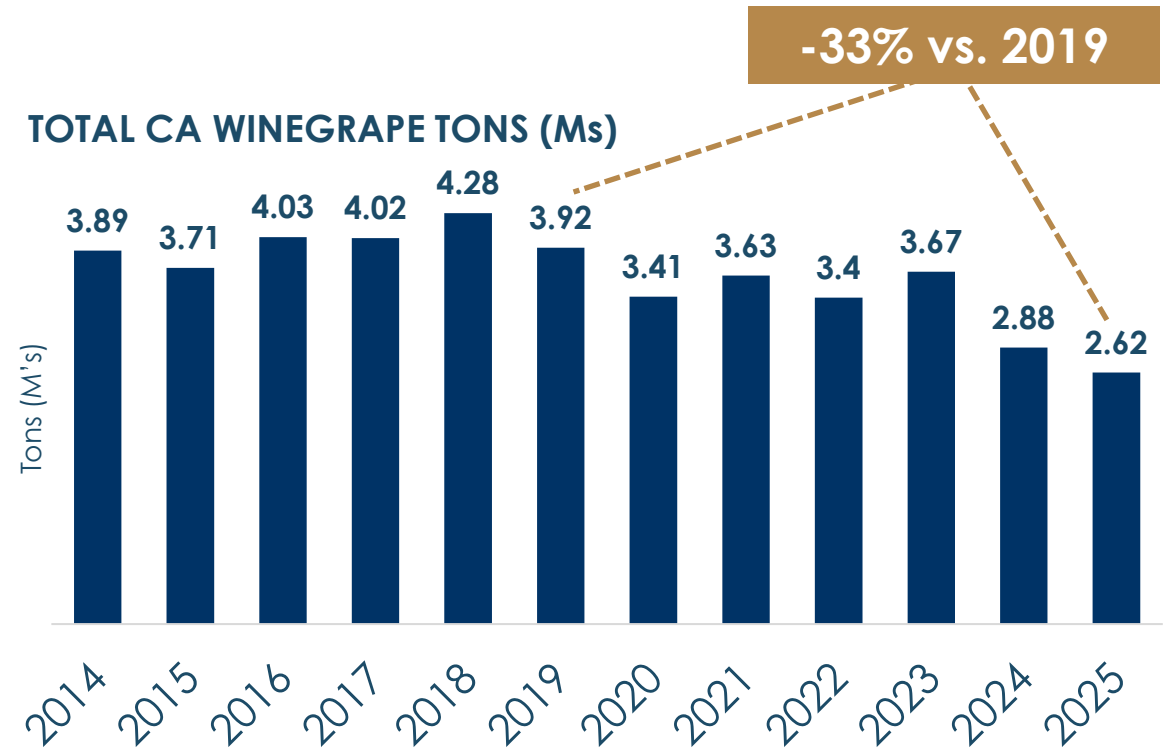


GRAPE SUPPLY STRUCTURAL CHANGES | *Reset In Progress*

The 2025 California grape crush was the smallest since 1999. It was a surprise that it wasn't smaller. While moving in the right direction, there is still a ways to go, particularly in certain Coastal regions.

GRAPE SUPPLY CHANGES IN PROGRESS

- The **2.62M ton CA grape harvest** was the **lowest total since 1999** (2.62M). The reduction vs. 2019, the last crush before the pandemic, was 33% lower and represents roughly **82 million fewer cases**.
- Despite the overall declines, certain white wine grapes including **Pinot Grigio (+4.2%)** and **Sauvignon Blanc (+16.1%)** grew mirroring consumer trends towards certain whites. The 2025 crush was the first since 1996 that overall white wine grapes exceeded red.
- The 2025 crush was larger than expected and many reports suggest that **2.2M tons (or another 15% less)** would have been **closer to equilibrium.** ⁽¹⁾
- Segmenting the 2025 crush between Interior regions and Coastal regions, **the oversupply is much more significant in Coastal regions.** Based on shipment trends and Ciatti channel commentary the Interior region crush was about 6-9% in excess of demand. **The Coastal region crush was likely still >25% in excess of demand.** ⁽¹⁾
- **Supply is correcting, but not fast enough** relative to the current demand trends. Ciatti and Allied Growers estimate that **another 40K acres** should be **removed in 2026.**



Source: Grape Crush Report, USDA NASS, CDFA

⁽¹⁾ Ciatti, Allied Growers & Azur Associates research

PRODUCTION CAPACITY | *Significant Closures & Reductions*

For the first time in decades winery infrastructure and facilities are closing. The rate of closure has lagged the demand declines and production utilization is below historical averages.

WINERY CAPACITY IS ACTIVELY BEING RATIONALIZED A NUMBER OF WAYS



CLOSURES

- In 2025 and 2026 a number of significant winery facility closures were announced. At a minimum the **closures** publicly announced for major wine companies **represent 600k+/- tons or 37.5M+/- equivalent cases of capacity removed.**⁽¹⁾
- The above estimate does not include the dozens and dozens of smaller (i.e. 0.5-1k ton capacity) wineries that shut down in 2025-2026.

⁽¹⁾ Analysis of select announced transactions.

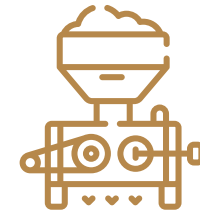
⁽²⁾ Silicon Valley Bank survey data.

⁽³⁾ Azur Associates research estimates.



UTILIZATION

- U.S. winery facility **capacity utilization has declined significantly** since 2024 when it was estimated to be 80-90%⁽²⁾ to an **estimated level of 60-70% in 2026.**⁽³⁾
- The 2026 estimate is based on the combination of continued demand declines in 2025 and 2026, existing inventory overhang, intentional underproduction offset by known facility closures to date.
- This suggests in the absence of a significant demand rebound there will be more facility rationalization in 2026.



ALTERNATIVE USES

- We have already seen the **alternative use** case play out which represents an **opportunity** for those who can leverage existing infrastructure.
- Recent examples include:
 - Premium food manufacturing
 - Vegetable processing
 - Floral farm & crafting
- There are many creative ideas including **alternative hospitality models** that align with current consumer preferences.

COMMERCIAL CAPITAL | *Less Available & More Expensive*

Some commercial lenders have exited the wine category entirely while some have downsized portfolios. Structurally, less capital is available and its cost has increased.

Success requires rightsizing inventory while protecting brand and optimizing cash conversion.

Premium wine segment select lending factors – illustrative only

FACTOR	LEGACY APPROACH	NEW REALITY
LENDER PORTFOLIO APPROACH	Premium wine is a good risk category.	Category is risky, lenders sharply segment borrowers.
UNDERWRITING FOCUS	Asset backed lending. <u>Basis:</u> Vineyard land value. Durable, long-term premium pricing.	Cash flow based lending. <u>Basis:</u> Proof of repeatable cash flow & inventory liquidity. Contracted revenue (DTC and grape contracts).
INVENTORY	An asset with high value, especially aging premium Cabernet Sauvignon.	Aged inventory is now considered a liability . It's trapped working capital with price & exit risk.
INTEREST RATES	In 2021 SOFR⁽¹⁾ was below 0.5% Spreads were lower. Wine was a good risk category. The all-in rate could be below 4.0%⁽³⁾	In 2026 SOFR is >3.6%⁽²⁾ Spreads are higher due to increased category risk. The all-in rate could be between 6.0-8.5%⁽³⁾
COVENANT STRUCTURE	Relatively loose. Debt/EBITDA, minimum liquidity. Flexibility based on growth expectations.	Tighter and more frequent testing. Fixed charge/debt service coverage emphasized. Expanded covenants (e.g. velocity, capex limits).

⁽¹⁾ Secured Overnight Financing Rate (SOFR)

⁽²⁾ As of April 17, 2026

⁽³⁾ Rates vary significantly based on asset type and borrower. These are illustrative only.

ROUTE TO MARKET U.S. WHOLESALE



Traditionally, there were distinct lines between separate Wine & Spirits and Beer distributors. In 2025, wholesale networks became more blurred and a shift toward a “*total beverage distributor*” model emerged. The new landscape is likely to reward sales velocity, focused support, supply chain efficiency and scale. The change is impacting all parts of the distribution model including compensation structures. **Data-driven planning and execution are now essential rather than optional.**

Truly Historic Changes

We are witnessing new partnerships amongst leading players such as Southern Glazer’s and Reyes Beverage Group, who continue to expand beyond traditional category lines, while aligning interests with top producers. Expect distributors to intensify portfolio rationalization, **prioritizing high-velocity items** amid margin pressure and rising costs, which has been, and continues to be, particularly challenging for smaller wine producers.

WHOLESALE | *How It Was and How It Is*

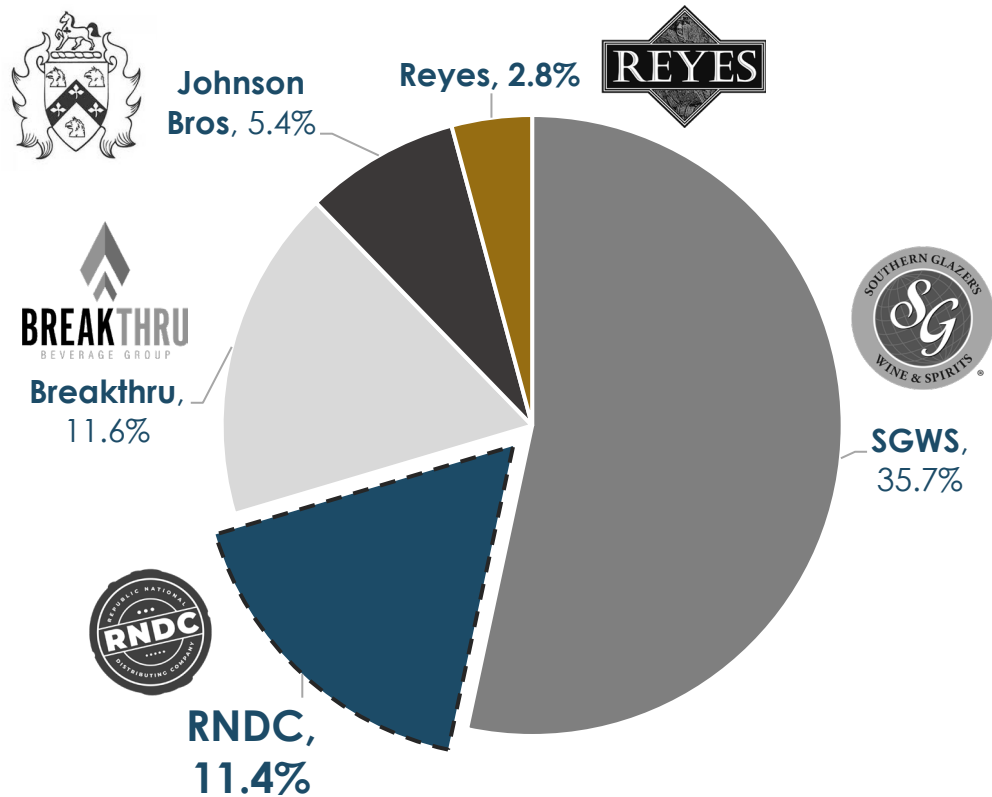
As Wholesalers move to become “Total Beverage” platforms, there will be more focus on item-level performance and operational efficiency.

FACTOR	LEGACY ENVIRONMENT	NEW REALITY
TOTAL DISTRIBUTOR MODEL	Category silos (beer vs. wine & spirits)	Multi-category “total beverage” platforms
COMPETITIVE SET	Clear separation of beer vs. wine and spirits	Convergence (e.g., Reyes Beverage Group expanding into spirits & SGWS into beer)
SUPPLIER STRATEGY	Long-term, “National” distributor alignments	“Best Athlete” strategy reallocating business to best option in each state/market
PORTFOLIO MANAGEMENT	Broad portfolios, long tail of SKUs and states	Rationalized portfolios, focused on high-velocity brands and targeted markets
SUCCESS METRICS	Willing to sacrifice short term margin for market share and growth at a macro portfolio level	Item level analysis focused on cash flow and operational efficiency

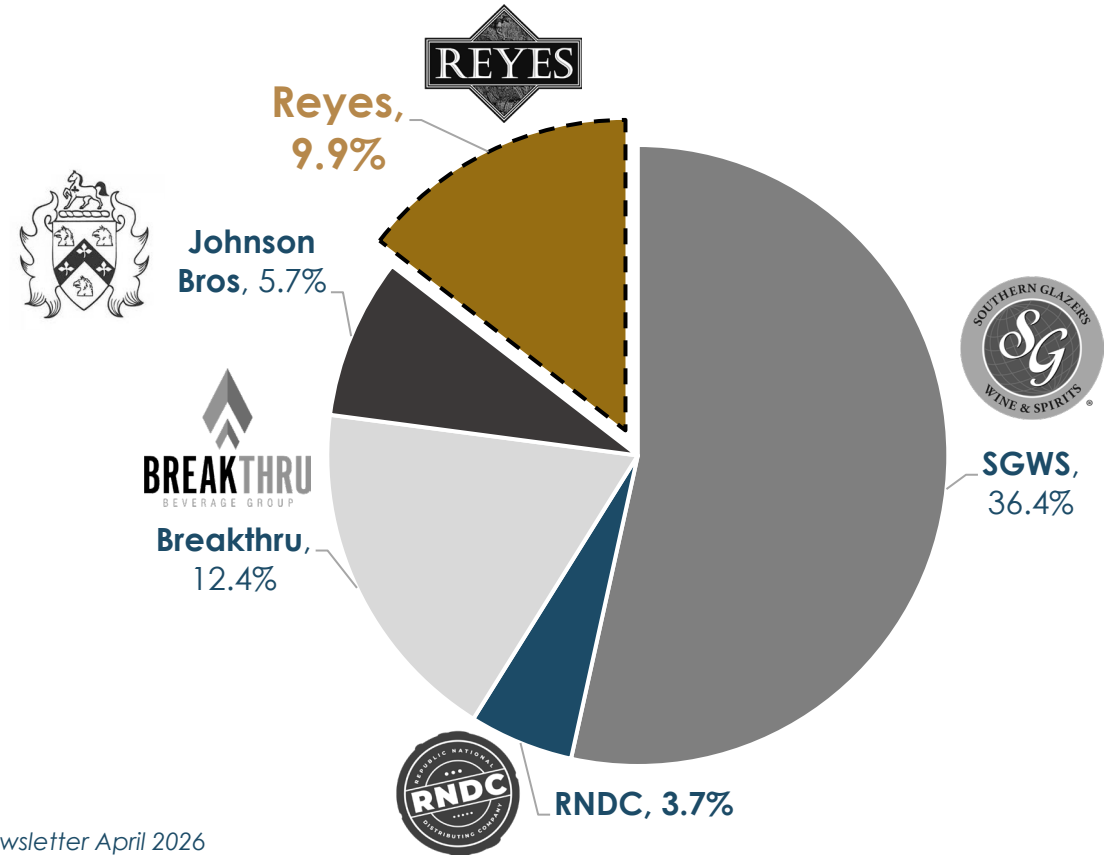
WINE & SPIRITS WHOLESALERS | *Landscape*

The pending acquisition of eleven markets by Reyes Beverage Group from RNDC means the "Big Three" wholesalers are now the "Big Five" wholesalers.

2025 PROJECTED SHARE OF WINE & SPIRITS WHOLESALER REVENUE



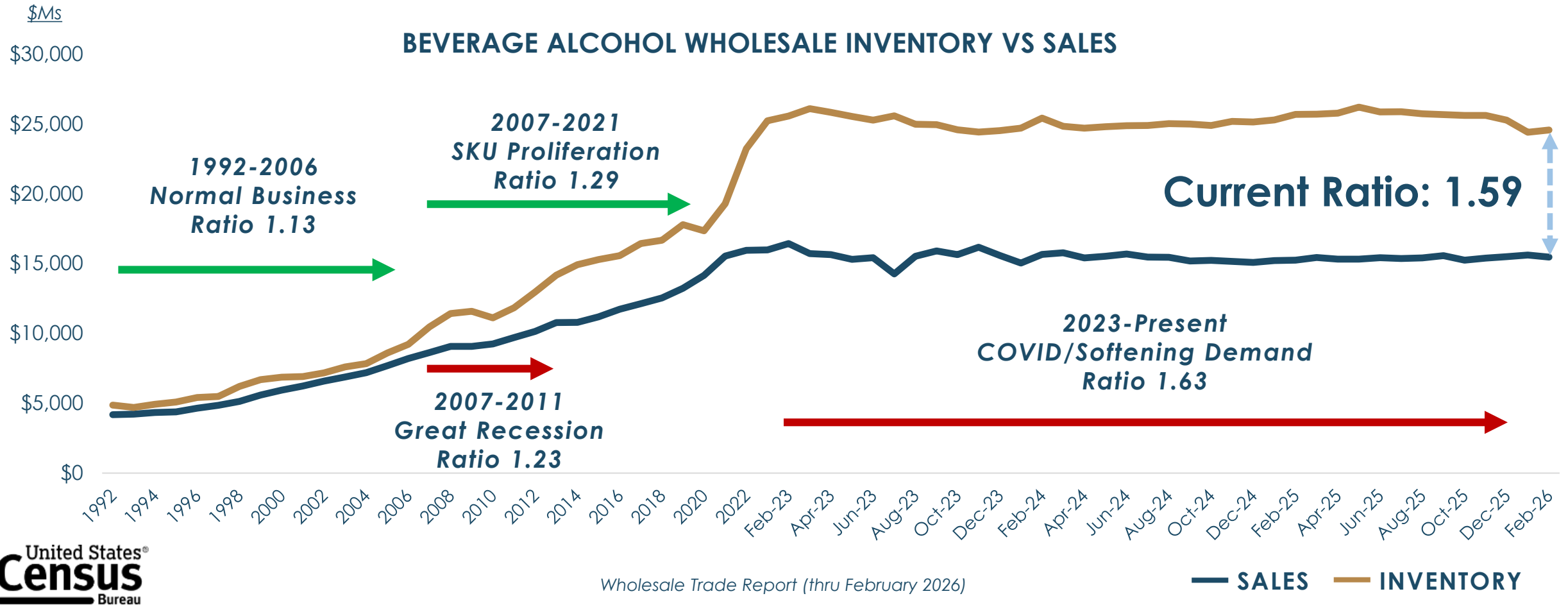
2026 PROJECTED SHARE OF WINE & SPIRITS WHOLESALER REVENUE⁽¹⁾



Source: Shanken Impact Newsletter April 2026
 (1) Projection includes impact of Reyes' acquisition of 11 RNDC markets

WHOLESALE INVENTORIES REMAIN HIGH | *Levels not Sustainable*

The wholesale channel is unlikely to continue to carry \$1.60 of inventory for every \$1.00 in sales in 2026. The focus on cash flow and efficiency will move this closer to pre-COVID numbers.



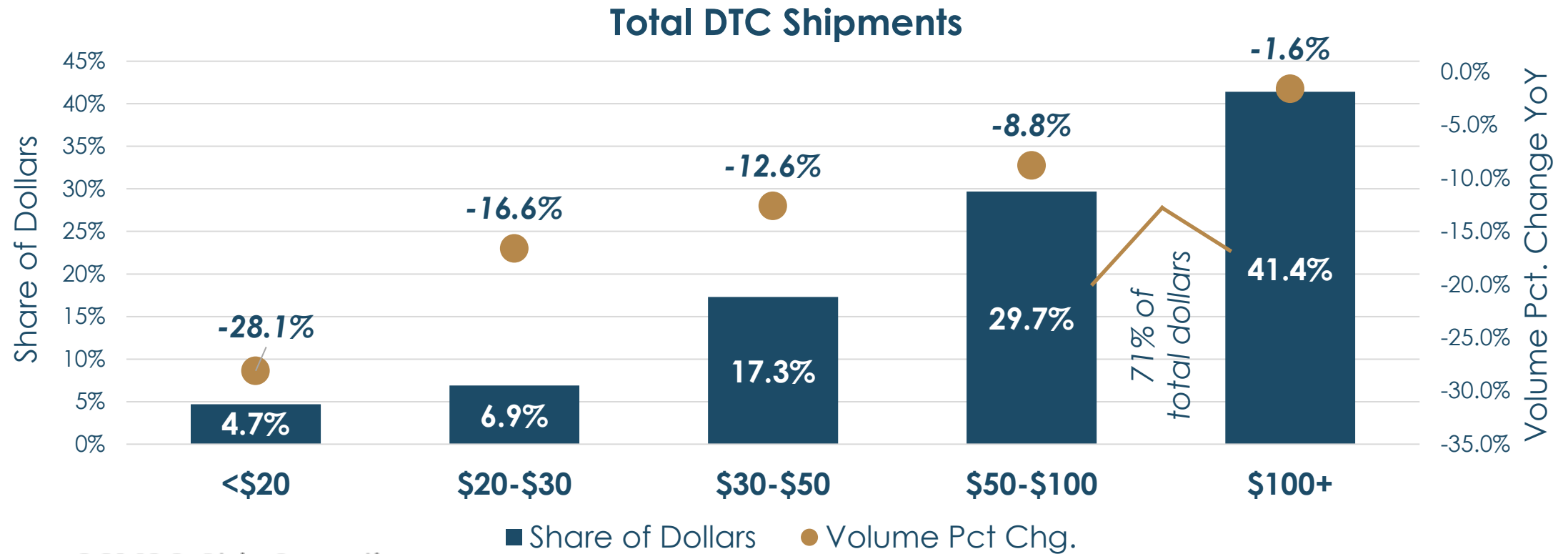
DIRECT TO CONSUMER | *How It Was and How It Is*

DTC success today requires wineries to move beyond legacy tasting room-driven models and embrace more proactive, diversified approaches to customer acquisition, engagement, and retention.

	HOW IT WAS	HOW IT IS
ESTATE / HOSPITALITY SALES	Tasting rooms were the primary location to host winery guests, create memorable experiences, and generate loyalty via customers and members.	Consumers increasingly engage with wineries beyond the tasting room through in-market tastings, events, and other offsite experiences.
OUTBOUND SALES	Outbound sales could be conducted by the tasting room team during seasonal slow times or in-between tastings.	Dedicated outbound sales efforts are now critical to drive retention, engagement, and direct sales growth.
CUSTOMER COMMUNICATIONS	SMS texting was an occasional add-on to an existing digital marketing strategy.	SMS has evolved into a core CRM and retention tool that drives engagement and conversion.
OCCASION-BASED SALES	Occasion based selling, including corporate gifting, generally limited to holiday offers and promotions.	Gifting and occasion-based sales now create year-round incremental revenue opportunities.

U.S. DTC SHIPMENTS - BY PRICE TIER | *Better only at the Luxury End*

DTC channels continue to decline overall. Growth is isolated to the highest price tiers. New approaches will be required to attract everyday wine consumers to this critical channel.



DIRECT TO CONSUMER | *Overcapacity + New Opportunity*

NAPA VALLEY AS A LEADING INDICATOR

- Ted Hall ⁽¹⁾ recently published two articles focusing on the imbalance of supply and demand in the Napa Valley.
- While Napa Valley-specific, the dynamics are directionally relevant across all premium wine regions.

WHAT THE DATA SIGNALS

- **Too much wine, too many experiences:** Years of growth in both production and tasting room capacity have outpaced demand from high-value DTC consumers.
- **Fragmented visitation patterns:** The rise of urban tasting rooms and shorter trips to wine country are spreading demand more thinly across venues.
- **Misaligned experience strategy:** Wineries are extending and premiumizing tastings to drive per-visit revenue, but this reduces frequency and overall market throughput.

WHERE OPPORTUNITY EMERGES

- **Differentiate, don't expand:** Focus on distinct, high-value experiences rather than increasing capacity.
- **Align with how consumers visit today:** Design for shorter, more flexible, higher-frequency engagement.
- **Capitalize on dislocation:** Oversupply is creating opportunities for repositioning, innovation and investment.

Source: The Great Napa Valley Overpour Parts I & II, Ted Hall

⁽¹⁾ Ted Hall is a former Senior Partner at McKinsey & Company, a founder of the McKinsey Global Institute and owns Long Meadow Ranch Winery among other holdings.



M&A WINE MARKET

SUMMARY + OUTLOOK

RECENT M&A LOOKBACK | *How Did We Do With Our 2025 Outlook?*

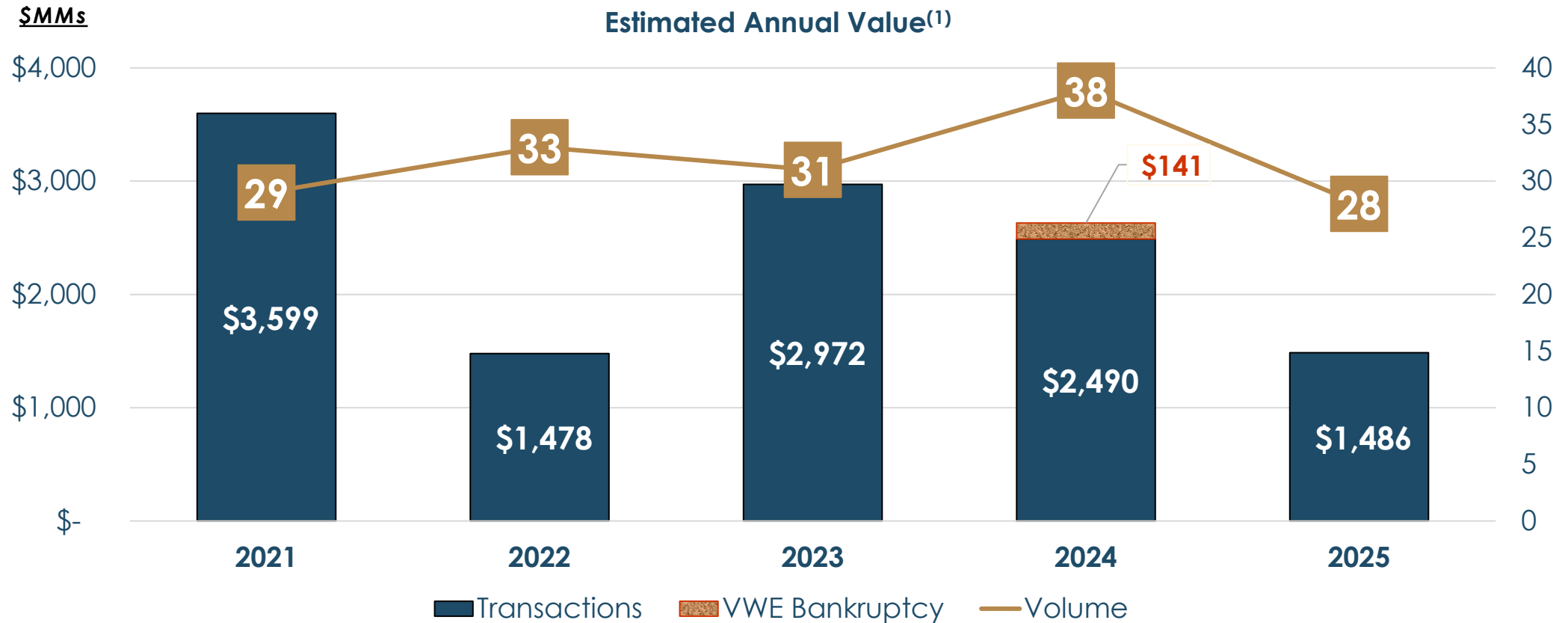
We summarized our predictions in an excerpt from the Azur [2024 Summary & 2025 Outlook](#). Below, we assessed our 2025 outlook vs. actual through Q1 of 2026.

TRANSACTION TYPE	2025 OUTLOOK	ASSESSMENT	COMMENTS
Winery estate (or portfolio), with great vineyards + facilities and strong⁽¹⁾ brand(s) and cash flows	There are some buyers, however, fewer of them and with lower valuation expectations.	LIMITED	Trinchero Family Wine & Spirits acquired the Mumm Napa facility, brand and IP to produce Mumm sparkling wines in the US and certain other markets. In April 2026, St. Supéry acquired Rudd Estate vineyards, facility, brand and IP.
Vineyard assets – “A” Sites	There is still demand. Valuations will range depending on asset scarcity & strategic fit.	MOSTLY CORRECT	Demand continues for “A” vineyard sites including (i) Marchesi Antinori → Arcadia Vineyard (ii) Dominus Estate → Yountville Vineyards (iii) Cliff Lede → Andelin Vineyard
Winery facilities & hospitality – “A” Assets	Limited to buyers with a specific location and asset need.	LIMITED	There are certain buyers seeking these types of assets. The best example recently was the 2025 acquisition of the former Arista Westside Road winery estate by Youngs Holdings (Chris Underwood).
Brand only – strong⁽¹⁾	Demand only at the buyer's price. Valuations will range widely depending on cash flows & the specific buyer needs.	LIMITED	Brand activity is very limited and transactions are for very specific reasons. Recent examples of brand M&A for different reasons include Stoller Wine Estates acquisition of Elouan to enhance it's Oregon Pinot Noir national footprint and Gallo's acquisition of Whiny Baby to access younger consumers in a different way.

(1)NOTE: "Strong" brands are those in the "right" price segments, with relevant distribution (regional or national) and significant repeatable cashflows

2021 to 2025 U.S. WINE M&A | *Transaction Value & Volume⁽¹⁾*

Wine M&A on a value basis has trended down in recent years. Underwriting risk has become more rigorous and challenging resulting in continued pressure on valuations.

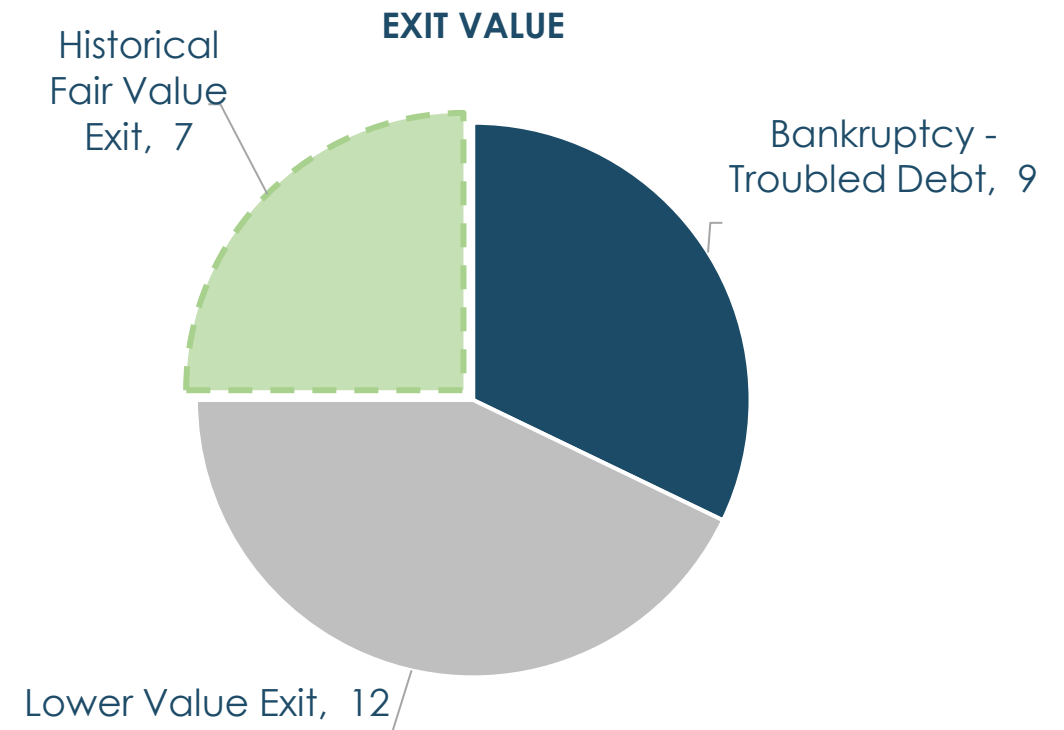
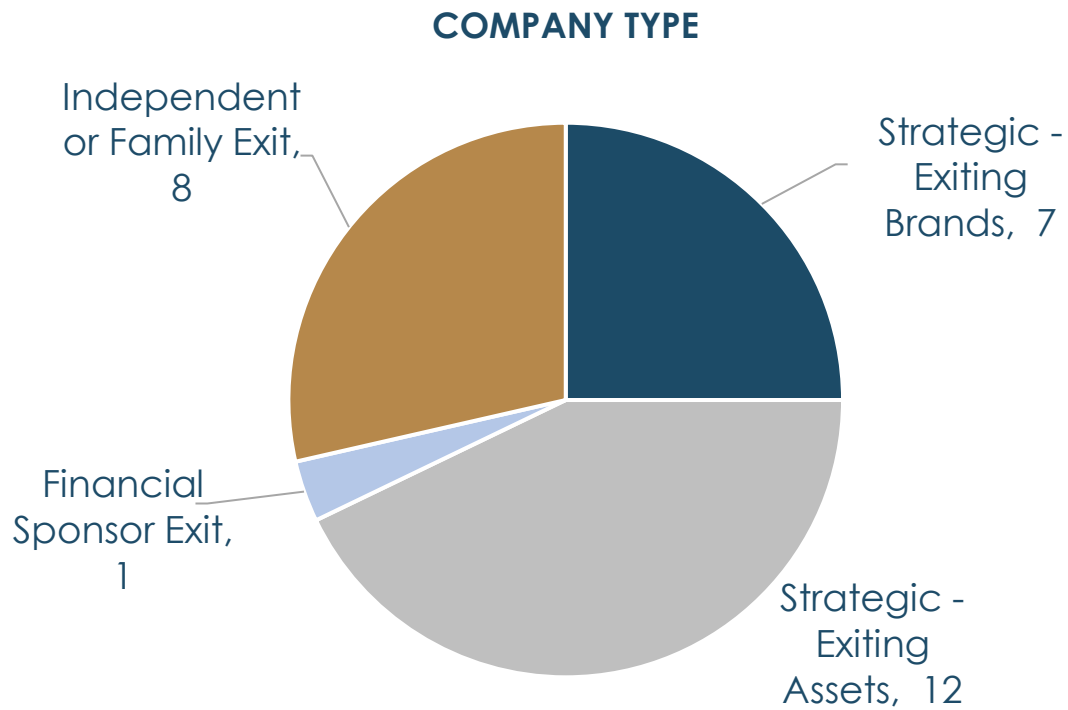


⁽¹⁾ Value and volume estimate of certain select transactions

2025 WINE MARKET M&A | Category Summary

Strategics continue to emphasize portfolio hygiene for their exits. Other sellers with balance sheet pressure that must exit will experience significant valuation discounts.

- Only about 1/4 of transactions completed in 2025 were done at values close to historical fair value and transactions considered as lower value or under bank pressure continued to represent the majority of transactions. We expect further pressure on valuations in 2026.
- Exit Type was led by Strategics exiting non-strategic assets. We anticipate continuing portfolio hygiene by Strategics.



Note: Volume estimate of certain select transactions

2025 to Q1 2026 WINE MARKET M&A | *More Significant Transactions*

In 2025 through Q1 2026, some of the more significant transactions in wine as well as wine-based branded beverage alcohol are highlighted below.

TARGET

 Constellation Brands
CERTAIN BRANDS & FACILITIES

INVESTOR

 THE WINE GROUP

RATIONALE + TRANSACTION SUMMARY:

The Wine Group (TWG) acquired several wine brands from Constellation Brands, including Woodbridge, Meiomi, Robert Mondavi Private Selection, SIMI, Cook's, and J. Rogét. The transaction included three California production facilities and roughly 6,000 acres of vineyards, aiming to expand TWG's portfolio and retail presence.

INVESTMENT: \$900M | **EBITDA Multiple:** Not public

Revenue: Est. \$700-\$720M ^(a) | **EBITDA:** Not public

Vineyards: 6.6K acres

Wine Facilities: 3 (Sonoma, Monterey County, Lodi)

Hospitality: Not applicable.

^(a) Per Constellation earnings call guidance.

TARGET

MUMM NAPA
 NAPA VALLEY

INVESTOR
TRINCHERO
 FAMILY WINE AND SPIRITS

RATIONALE + TRANSACTION SUMMARY:

Trinchero Family Wine & Spirits acquired Mumm Napa from Pernod Ricard. The transaction included the Napa facility, brand & IP. The acquisition provides Trinchero one of the leading American sparkling wine brands and underscores Trinchero's long-term investment into the sparkling wine category.

INVESTMENT: Not available | **EBITDA Multiple:** Not public

Revenue: Not public | **EBITDA:** Not public

Case Volumes: Est. 330k-410k cases^(b) @ prices \$18-\$100

Wine Facilities: 1 (Napa Valley)

Hospitality: Napa Valley Silverado Trail winery

^(b) Per Shanken News Daily

2025 BEVERAGE ALCOHOL M&A | *A Major Transaction*

TARGET

BEATBOX
 BEVERAGES

INVESTOR

Anheuser-Busch

RATIONALE + TRANSACTION SUMMARY:

Anheuser-Busch acquired an 85% stake (~\$490M at implied \$576M valuation) in the RTD beverage producer, BeatBox, with a path to an eventual 100% ownership. BeatBox gained national attention in 2014 and today is sold in all 50 states including >140K retail locations across the U.S. The acquisition builds on A-B's Beyond Beer Portfolio which includes brands such as Cutwater Spirits, NÜTRL Vodka Seltzer and Phorm Energy.

INVESTMENT: \$490M | **EBITDA Multiple:** Not public

Revenue: \$>225M | **EBITDA:** Not published

Case Volumes (9l eq): Est. 7.7M ^(b) projected for 2025



Other: The transaction represents a diversification of the A-B portfolio beyond beer and values BeatBox at roughly \$700M.

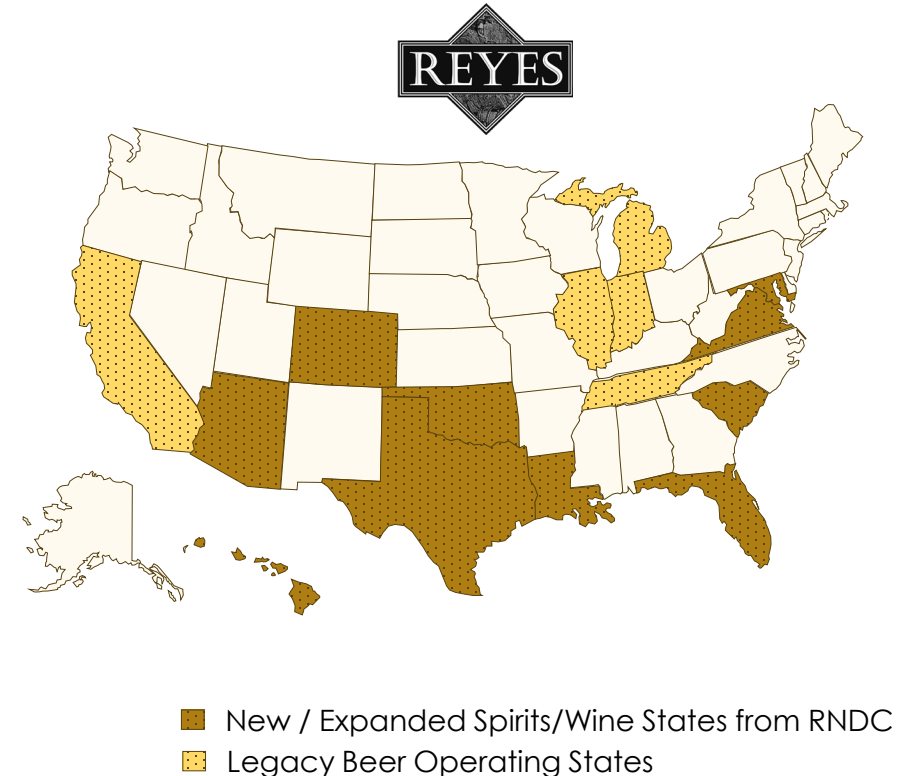
^(b) Per Shanken News Daily

M&A ROUTE TO MARKET | *Reyes*

M&A Route to Market activity been volatile. Republic National Distributing Company's ("RNDC") exit of the California market put in motion a number of activities. In addition to the operational impacts for accounts and suppliers it triggered the most significant Route to Market M&A activity in decades.

MOST SIGNIFICANTLY, REYES' PENDING ACQUISITION OF 11 STATES FROM RNDC.

THEME / INVESTOR	TARGET	RATIONALE
<p>EXITS CALIFORNIA</p>		<p>In June of 2025, Republic National Distributing Company announced the company would wind down and eventually cease operations in the state of California causing a massive ripple effect throughout the respective supply chain.</p>
		<p>Reyes Beverage Group is expanding its footprint by taking over distribution in five additional states (Arizona, Colorado, Louisiana, Oklahoma, and Texas) from Republic National Distributing Company, bringing the total to 11.</p> <p>This follows closely on its Jan-26 acquisition of Florida, Hawaii, Illinois, Maryland, South Carolina, Virginia, and Washington, DC.</p>



Source: Reyes public materials

M&A ROUTE TO MARKET | *New Market Reality*

Johnson Brothers' purchase of Maverick Beverage was substantial. Southern Glazer's Wine & Spirits completed several acquisitions which align with Anheuser-Busch. Is a long-term partnership in the works?

INVESTOR	TARGET	RATIONALE
 JOHNSON BROTHERS		Apr-25: Johnson Brothers acquired Maverick Beverage Company's operations in Texas, Arizona, Colorado, and Florida. The acquisition will allow Johnson Brothers entry into the Texas market and expand in the valuable Florida market.
	 New York Distribution Business	Aug-25: Southern Glazer's Wine & Spirits acquired Anheuser-Busch's owned New York City distribution arm. The acquisition covers distribution in Manhattan, Queens, Staten Island, and the Bronx.
		Mar-26: Southern Glazer's Wine & Spirits acquired substantially all the assets of Eagle Rock Distributing Co.'s Colorado operations, a leading total beverage distributor in Colorado. The transaction includes the opportunity to distribute Anheuser-Busch's full product portfolio currently sold in Colorado.
	 Clare ROSE Inc.	Mar-26: Southern Glazer's acquired Clare Rose Inc., a leading beverage alcohol distributor in Long Island, New York. The transaction includes the opportunity to distribute Anheuser-Busch's full product portfolio currently sold in the Long Island area.

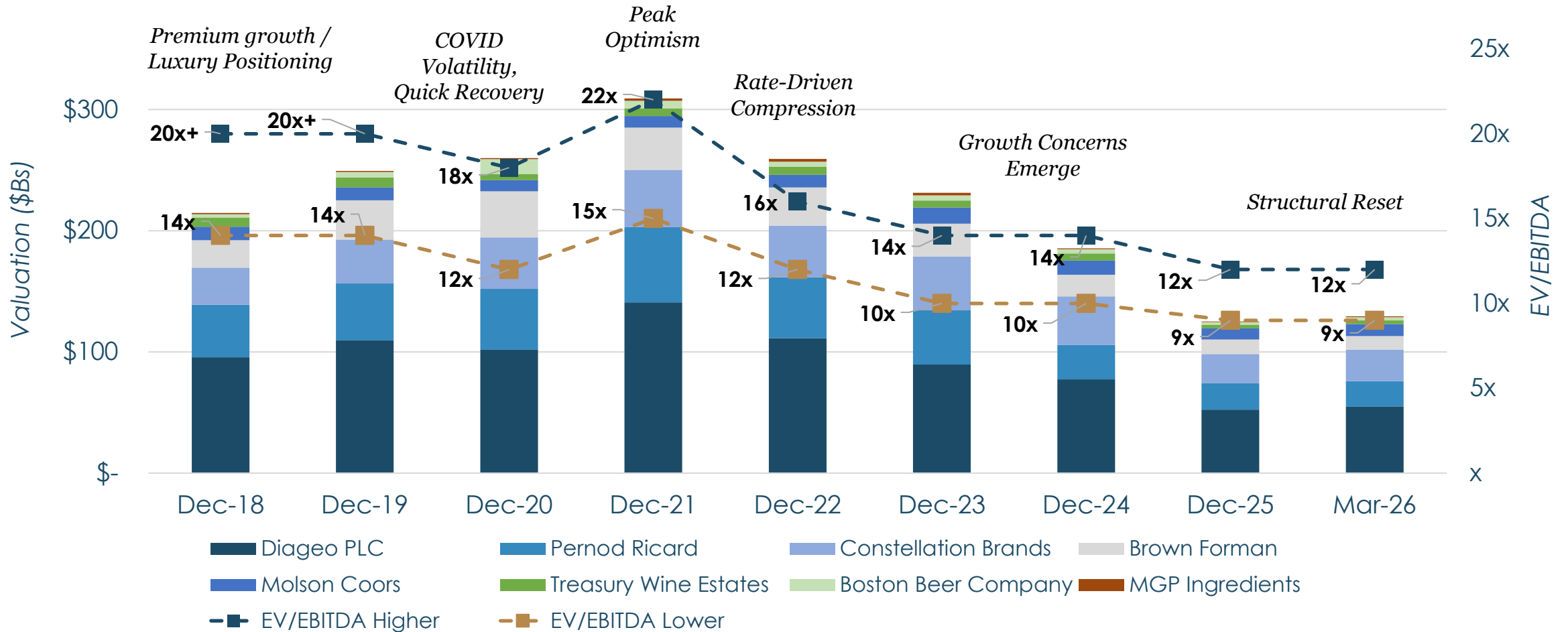
Recent M&A In Ready To Drink (RTD)| *Spirit-Based RTDs*

The growth in Spirits-based RTDs is now attracting capital as evidenced by recent M&A activity. RTDs are no longer “adjacent” but now are a core focus of some of the largest producers' portfolios.

INVESTOR	TARGET	RATIONALE
		<p>Mar-26: Molson Coors Beverage Company acquired Atomic Brands the producer of Monaco Cocktails. The deal marks Molson Coors' entry into spirits-based RTD.</p>
		<p>Mar-26: Sazerac, acquired the Dirty Shirley brand, a ready-to-drink cocktail known for its vodka-spiked take on the classic Shirley Temple.</p>
 <p>THE MARK ANTHONY GROUP OF COMPANIES <i>We Build Distinctive Brands</i></p>		<p>Apr-26: The Mark Anthony Group of Companies, the maker of White Claw, has agreed to acquire The Finnish Long Drink, a canned, gin-based sparkling cocktail.</p>

PUBLIC BEVERAGE ALCOHOL COMPANIES | *Valuation Declines*

Beverage alcohol lost its structural growth narrative while simultaneously facing higher discounts and weaker demand elasticity.



Source: Public filings, Federal Reserve Bank of St. Louis, Market Cap, Value Investing, Macrotrends, Azur Research

WINE MARKET M&A BUYERS | *Reset Redefining Buyers*

A decade ago, scale and portfolio breadth were driving acquisitions. Today it's about precision and focus.

BUYERS YESTERDAY:

- **Strategics**
 - Most are more focused on **portfolio hygiene vs. scale**, breadth and expansion.
 - All have either adapted or simply gone away.
 - Winners from this period had the combination of **portfolio discipline, scale and strong balance sheets**.
- **Private Equity (PE)**
 - Wine has long aging cycles, agricultural volatility and lengthy brand building timelines.
 - None of the above factors fit a typical Private Equity model.
 - There were some successful exits during the growth cycle.
 - Slow growth, uncertainty and long-cycles will limit typical PE for the foreseeable future.

BUYERS TODAY:

- **There Are Not Categories or Pools of Buyers**
 - A buyer's market has emerged, but only for the prepared.
 - **Non-traditional buyer types are on the rise**: Family Offices, Individual wealthy buyers and Independent sponsors.
 - Some **high-quality buyers are emerging**, including highly selective strategics. **Only at the right price.**

The structural wine category reset has significantly changed the M&A market.
There are far more wine brands chasing capital than there is capital chasing wine brands.

A FEW THOUGHTS ABOUT M&A – DURING THE RESET

- **The economics we enjoyed during the category “growth cycle” are not the economics today**
 - This will continue as long as there is structural imbalance with excess capacity.
 - While an opportunity for new buyers, they will only underwrite to the new reality (i.e. slower growth & uncertainty).
 - Operators who can adjust and manage to these economics will have a long-term advantage.
- **Dislocation = Opportunity**
 - We are beginning to see some high-quality buyers emerge, however, only as prices have reset and on their terms.
 - Some emerging buyers can be categorized as new entrants to the wine industry.
- **Near Term (1-2 years)**
 - We are not in a frozen M&A market. Activity is more deliberate and strategic.
 - Precise and unique fits for each buyer are driving transaction activity.
 - Buyers are unbundling the wine business model by separating brands, vineyards and facilities for unique needs.
- **Longer Term (2-5 years)**
 - Accelerated consolidation for the right portfolios, brands and assets.
 - Emergence of more focused scaled premium platforms.
 - Further category bifurcation: capital will flow to unique high-end wineries and focused scalable premium platforms.

“Wine makes every meal an occasion,
every table more elegant,
every day more civilized.”







ANDRÉ SIMON, FOUNDER OF THE FOOD & WINE SOCIETY

SELECT WINE-RELATED M&A ACTIVITY | 2025

ANNOUNCED	TARGET	INVESTOR	STRATEGIC RATIONALE
JAN 2025	MARSH ESTATE	 ROCO WINERY	Oregon-based ROCO Winery acquired the nearby Marsh Estate, a premium agricultural property in Yamhill-Carlton, part of the renowned Dundee Hills wine area.
JAN 2025	EDNA VALLEY VINEYARDS PROPERTY	PRIVATE INVESTORS	A group of private investors acquired the Edna Valley Vineyards property from Gallo. Gallo retained the Edna Valley Vineyards brand.
FEB 2025	ARCADIA VINEYARD	 ANTINORI	The Tuscany-based wine company and owner of Napa's Stag's Leap Wine Cellars, Marchesi Antinori, acquired the 135-acre Arcadia vineyard property from the Winiarski family.
FEB 2025	MASSA ESTATE	PRIVATE INVESTORS	A private investor has acquired Massa Estate Vineyards in the Carmel Valley.
FEB 2025	COLLINETTA VINEYARD	SIMON FAMILY ESTATE	Simon Family Estate acquired the Collinetta Vineyard in the Coombsville AVA of Napa.
FEB 2025	BRIAN ARDEN WINES	AUBERT	Aubert acquired a tasting room and production facility from the neighboring Brian Arden Wines. The Brian Arden brand will continue separately.
FEB 2025	 ARISTA WINERY ESTATE	 YOUNG'S HOLDINGS	The Underwood Family of Young's Holdings acquired the famed Arista Winery estate in the heart of the Russian River Valley. The transaction of the 34-acre estate includes a hospitality facility, 8-planted acres of vineyard and a state-of-the-art winery permitted for 20k cases of production. The McWilliams family retained the Arista Winery brand.
FEB 2025	 WINE HOOLIGANS	BRONCO WINE CO.	Bronco Wine Co. a former minority investor of Wine Hooligans, has acquired a majority position and will control the Portlandia, Shortbread, and Broadside wine brands, along with the alcohol-removed wine Sea Monster. Bronco will also acquire Wine Hooligans' production facilities and BevZero's de-alcoholizing sites in Santa Rosa. BevZero's operations in Spain and South Africa will remain separate.

SELECT WINE-RELATED M&A ACTIVITY | 2025

ANNOUNCED	TARGET	INVESTOR	STRATEGIC RATIONALE
MAR 2025	ANDELIN VINEYARD	CLIFF LEDE VINEYARDS	Cliff Lede Vineyards acquired the neighboring 7.5-acre Andelin Vineyard in the Stags Leap District.
MAR 2025	CARNEROS VINEYARD	CHATEAU MONTELENA ESTABLISHED 1882	Chateau Montelena acquired a 73-acre vineyard in the Carneros AVA to bolster its Chardonnay program.
APR 2025	 Constellation Brands Certain Brands & Facilities	 THE WINE GROUP	The Wine Group acquired wine brands Cook's, J. Rogét, Meiomi, Robert Mondavi Private Selection, SIMI, and Woodbridge from Constellation. The transaction also included three (3) facilities and approximately 6,600 owned and leased vineyard acres throughout California. The facilities include production sites in Lodi, CA and Monterey County, CA, as well as the SIMI winery in Healdsburg, CA.
MAY 2025	RADIANT SPARKLING WINE COMPANY	VINOVATE	Oregon-based Vinovate Custom Wine Services acquired The Radiant Sparkling Wine Company, a custom winemaking company specializing in equipment and services for efficient sparkling wine production.
JUN 2025	 Accendo Cellars	PRIVATE INVESTOR	A private group led by vintner Jack Bittner and the Bettinelli family acquired the Accendo Cellars brand from the Araujo family.
JUN 2025	NAPA FACILITY	 Mezzetta FAMILY CO.	G.L. Mezzetta foods acquired the 116K sqft winery facility in American Canyon that formerly belonged to Cartlidge & Browne and Purple Brands.
JUN 2025	ELOUAN	STOLLER WINE GROUP	Oregon-based Stoller Wine Group acquired the Elouan brand from Copper Cane Wines & Provisions, the No. 3 selling Pinot Noir from Oregon across the country.
JUN 2025	DON SEBASTIANI & SONS (SELECT BRANDS)	SONOMA BESPOKE	Sonoma Bespoke acquired certain brands from Don Sebastiani & Sons. The brands include Aquinas, Big Smooth, B-Side, Crusher, Flybird, Flybird Cans, Flybird Mini Bottles, Leese-Fitch, Pepperwood Grove, Plungerhead, Simple Life, Smoking Loon, and TODODIA.

SELECT WINE-RELATED M&A ACTIVITY | 2025

ANNOUNCED	TARGET	INVESTOR	STRATEGIC RATIONALE
JUL 2025	 SOJOURN CELLARS	PRIVATE INVESTOR GROUP	A private investment group led by industry veteran, Pat Roney, has acquired the Sonoma-based Sojourn Cellars.
AUG 2025	NAPA VINEYARD	 <i>Dominus</i>	Dominus Estate acquired an ~86-acre vineyard in Yountville from Markham Vineyards. The acquired vineyard is nearby to Dominus' Napanook vineyard.
AUG 2025	AMADOR COUNTY FACILITY	 CASINO MINE RANCH	Casino Mine Ranch Winery acquired a production facility belonging to Turley Winery in Amador County.
AUG 2025	 NEWTON NAPA VALLEY	PRIVATE INVESTOR GROUP	A private investor group acquired the iconic Napa Valley-based Newton Vineyard estate and Newton brand from Moët Hennessy.
SEP 2025	Iris Vineyards 	 WAR ROOM CELLARS	WarRoom Cellars acquired the Willamette Valley-based Iris Vineyards brand. Iris marks WarRoom's first Oregon-based brand added to the portfolio.
SEP 2025	LONGWINDS VINEYARD	 QUILCEDA CREEK	Quilceda Creek acquired the 17-acre Longwinds Vineyard from The Duckhorn Portfolio in Washington. The vineyard was previously used for the Canvasback program.
SEP 2025	 Whiny Baby	GALLO	Gallo acquired the Whiny Baby brand from a private party. Whiny Baby is targeted at the Gen Z audience.

SELECT WINE-RELATED M&A ACTIVITY | 2025



ANNOUNCED	TARGET	INVESTOR	STRATEGIC RATIONALE
OCT 2025	CALMÉRE ESTATE WINERY	PRIVATE INVESTOR	The Calmére Estate Winery in Carneros was acquired by a private investor. The estate, formerly owned by Peju, includes approx. 74 acres of planted vineyard to Chardonnay, Pinot, Noir and Merlot.
NOV 2025			WarRoom Cellars acquired the Simi brand from The Wine Group. Simi was most recently acquired by The Wine Group from Constellation Brands in June of 2025.
NOV 2025			Washington-based Evergreen Family Wines acquired the LUKE Wines brand.
DEC 2025		WYCKOFF FAMILY	The Wyckoff Family of Coventry Vale Winery and Wyckoff Farms acquired Ste. Michelle Wine Estates from private equity group, Sycamore Partners. Ste. Michelle was acquired by Sycamore in 2021 for \$1.2B. The transaction includes all of Ste. Michelle's Washington assets including brands, facilities and vineyards and excludes non-Washington brands such as Erath and A to Z Wineworks.
DEC 2025		TRINCHERO FAMILY WINE AND SPIRITS	Trinchero Family Wine & Spirits acquired Mumm Napa from Pernod Ricard. The transaction includes the Mumm Napa winery, brand and sparkling wine production facilities located in Rutherford, Napa Valley.

SELECT WINE-RELATED M&A ACTIVITY | *YTD 2026 (1)*

ANNOUNCED	TARGET	INVESTOR	STRATEGIC RATIONALE
JAN 2026	ARROWHEAD VINEYARD	SCRIBE WINERY	Sonoma-based Scribe Winery acquired the 150-acre Arrowhead Vineyard adjacent to the existing Scribe estate. The vineyard is planted to Pinot Noir and Cabernet Sauvignon.
FEB 2026	CAIN WINES	Third  Leaf WINES	Third Leaf Wines acquired the historic Napa-based Cain Wines brand.
FEB 2026			Crimson Wine Group acquired Raeburn Wine Brand from Purple Brands. Founded in 2013, Raeburn produces approximately 250,000 cases annually from facilities in the Russian River Valley of Sonoma County, California. The acquisition includes the brand and inventory.
FEB 2026			Jackson Family Wines acquired the Oregon-based Big Salt brand specializing in white blends.
FEB 2026	BARBOURSVILLE 	PRIVATE GROUP	A private investor group acquired Barboursville Vineyards in Virginia.
FEB 2026	TRUBODY RANCH		KHK Winery acquired the historic Trubody Ranch in Napa's Oak Knoll AVA.
MAR 2026	WASHINGTON WINE BRANDS	MERCER 	Mercer Wine Estates acquired four leading Washington wine brands – Matthews, Tenor, Jaïne, and Single Barrel.

(1) As of April 2026

SELECT WINE-RELATED M&A ACTIVITY | *YTD 2026* ⁽¹⁾

ANNOUNCED	TARGET	INVESTOR	STRATEGIC RATIONALE
MAR 2026	EDGE HILL ESTATE	PRIVATE GROUP	A private investor group acquired the historic Edge Hill Estate in St. Helena from Joel Gott. The 27-acre property, renovated by the late Leslie Rudd, includes six acres planted to a field blend of red grapes and a retrofitted three-story stone winery originally built in 1876. The winery is permitted to produce 30,000 gallons annually and also holds distillery and hospitality licenses.
MAR 2026	DOMAINE LUMINEUX VINEYARD	 <i>Santa Margherita</i>	Santa Margherita winery of Italy's Marzotto family, acquired the 41-acre Domaine Lumineux vineyard in Oregon's Dundee Hills from Francis Ford Coppola.
MAR 2026	 KENWOOD <small>VINEYARDS</small>	KORBEL	Korbel acquired the 33-acre Kenwood estate of which about half is planted to vines, the brand, inventory and winemaking facilities. Korbel previously sold Kenwood to Pernod Ricard 12+ years ago.
APR 2026	R U D D	ST SUPÉRY <small>ESTATE VINEYARDS & WINERY NAPA VALLEY</small>	St. Supéry, owned by Chanel Group, acquired Oakville's Rudd Estate and Crossroads brand. The purchase includes the brand, inventory and 65-acre property of which 47 acres are planted.

⁽¹⁾ As of April 2026

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MERGERS + ACQUISITIONS – Buy-Side & Sell-Side Advisory + Diligence Services

ROUTE TO MARKET CONSULTING – Wholesale + Direct To Consumer Optimization + Fractional DTC Services

AZUR INTELLIGENCE – Fact-Based Business Intelligence & Analytics



We are a team of advisors

with deep mergers & acquisition, strategy, sales, data, marketing, finance and production experience across the finest beverage companies in the world.



PAT DELONG

Founder & Managing Partner



ED LEMAY

Principal, Route to Market



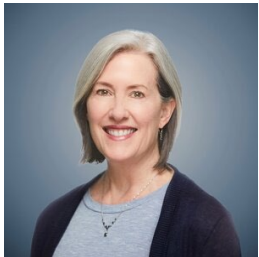
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