

Exclusive news and research for the wine, spirits and beer executive

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Pernod Ricard Sees Stable U.S. Sales, Strong Growth In India and China, As Full-Year Profit Rises 8.7%

Pernod Ricard saw its U.S. sales remain stable in its fiscal year ended in June as China and India posted strong gains. Global sales rose by 6% on an organic basis while organic profit was up 8.7%, hitting its highest level since 2012. Amid its global success, Pernod has also been investing in expanding its market position in the U.S., [announcing last night that the company would purchase Castle Brands for \\$223 million](#).

In the U.S., the company's whisk(e)y, Cognac, and Tequila brands continued to grow, with Pernod offering an internal estimate that its USA spirits were up 4.5%. Jameson's growth, according to the company, was propelled by the strong performance of its Black Barrel and Caskmates releases. Last year, Jameson Caskmates reached nearly 200,000 cases on 59.8% growth, according to Impact Databank. Recently, Jameson expanded its Caskmates offerings with two new IPA barrel-finished releases. Overall, Jameson was up 5.6% in NABCA channels for the seven months ended in July, helping to maintain Pernod's stability in the U.S.

Martell also continues to grow in the U.S., up 32.4% in NABCA channels for this year through July. In Tequila, meanwhile, Altos is thriving and the Glenlivet was stable, showing growth of 0.67%.

Though the company's portfolio is largely seeing growth in the U.S., Absolut continues to struggle, down 3.15% in NABCA channels through July, with losses driven by wholesaler inventory reductions. Despite the challenging conditions faced by Absolut, Pernod continues to invest in the brand, and its national rollout for Absolut Juice will continue through its next fiscal quarter.

India also helped drive Pernod's business in for the fiscal year, rising 20% thanks to strong performance from Seagram's Indian whiskies, premium plus Indian whiskies, and Jacob's Creek. In China, Pernod's sales were up 21% driven by strong performance across the company's portfolio, with Martell, Chivas Regal, Absolut, and the company's Champagne portfolio, among other brands, driving the market. Pernod is expanding in China, as well, investing \$150 million in a single malt whisky distillery in Sichuan province's Emei mountains. The South China Morning Post reports that the distillery is set to open in 2021 and will tap the growing popularity of Asian whiskies.

New Zealand Wine's U.S Growth Continues

New Zealand's wine shipments to the U.S. increased 6.7% to NZ\$557 million (\$353m) in the 12 months through June, according to the New Zealand Winegrowers trade group, capping a six-year run in which they've roughly doubled in value terms.

The U.S. remains the top export market for New Zealand, with leading brands like Kim Crawford (+5.1% to 1.3 million cases), Oyster Bay (+14.7% to 890,000 cases), Matua (+23.6% to 525,000 cases), Starborough (+4.5% to 465,000 cases), and Whitehaven (+10% to 275,000 cases) all registering strong growth in 2018, according to Impact Databank.

Globally, New Zealand's wine exports rose 6% to NZ\$1.83 billion (\$1.2b) by value last year, as volume increased 6% to approximately 30 million 9-liter cases. New Zealand's second-largest shipment destination behind the U.S is the U.K., which also showed solid progress, rising by 16% to NZ\$447 million (\$283m) in the 12 months through June.

News Briefs:

- Constellation Brands has taken a minority stake in North Carolina's Durham Distillery. Financial terms weren't disclosed. Constellation made the investment through its Focus on Female Founders initiative. Durham Distillery was founded in 2013 by Melissa and Lee Katrincic and produces Connoption gins (Navy Strength and American Dry), Damn Fine Liqueurs (in chocolate, mocha, and coffee flavors), Cold Distilled Cucumber Vodka, and a line of RTD canned cocktails. Melissa Katrincic will remain president and CEO, and Lee Katrincic will keep his role as head distiller.
- Uncle Nearest Premium Whiskey will open its new Nearest Green Distillery facility to visitors beginning September 14. Named after the first known African-American master distiller, the location's "phase one" opening includes a welcome house serving tastings of Uncle Nearest's whiskeys, a bar called Toppy's, a full retail store, and a Tennessee Walking Horse experience. The facility is located on the 270-acre former site of Sand Creek Farms in Shelbyville, Tennessee.
- Woodbridge by Robert Mondavi has partnered with the Los Angeles Rams, Chicago Bears, and New York Giants as the official wine partner of the three NFL teams. The partnerships will be supported by a range of marketing activations, including television placements for its new "From One For All" campaign on ESPN and NFL Network. Woodbridge is debuting a 375-ml. canned version of its Cabernet Sauvignon (\$6) in limited release in the home markets of each team and will release a new 500-ml. format of the Cabernet Sauvignon, Chardonnay, Pinot Grigio, and red blend (\$6), available nationally next month. Woodbridge was roughly flat at 9.7 million cases in the U.S. last year, according to Impact Databank.
- C Mondavi & Family is expanding its Flat Top Hills brand into markets across the East, South, and Midwest ahead of a national rollout scheduled for next spring. Flat Top Hills, aimed at female consumers in their 30s and 40s with household income in the \$45,000-\$80,000 range, includes five wines: a Sauvignon Blanc (\$14), Rosé (\$14), Chardonnay (\$14), Red Blend (\$16), and Cabernet Sauvignon (\$16). It initially debuted in Arizona, Colorado, Massachusetts, and North Carolina earlier this year.
- Massachusetts-based wine and spirits distributor Martignetti Cos. has promoted two employees to newly created sales positions. Jim Hickey, currently vice president of sales at Martignetti's Century Division, is now senior vice president of spirits sales across the Century, United, and Excel Divisions. In addition, 24-year company veteran Chris Conrad has been named senior vice president of wine sales, after serving as vice president of sales for northern New England for the past nine years. In his new role, Conrad will oversee all wine sales in the company's Carolina, Commonwealth, Connoisseur, and Classic Divisions. Martignetti Cos. is the seventh-largest wine and spirits distributor in the U.S. market.

Craft Brewing and Distilling News:

- Louisville, Kentucky-based Barrell Craft Spirits has announced its first American Vatted Whiskey, set to hit shelves in September. The 58.75% abv whiskey is blended from American single malts from throughout the U.S., with Whisky Advocate reporting that Balcones, Hamilton, MGP, and Kings County Distillery, among others, contributed to the final blend. The whiskey will be available in limited quantities throughout Barrell's 43-state distribution footprint.

Recently in the News:

- [News Alert: Pernod to Acquire Castle Brands in \\$223 Million Deal](#)
- [Stoli Group Unveils New Upscale Tequila, Villa One](#)
- [Tariff Troubles Hamper Brown-Forman in Fiscal First Quarter](#)