

WHYTE & MACKAY

SHAPING OUR FUTURE  
**TOGETHER**

# Past, present & future of Single Malt

**Connor Smyth**

International Category  
Development Controller

WHYTE & MACKAY

# CON TENTS

- **Future growth**
- **Covid Disruption**
- **Engine of Spirits**
- **Understanding the shopper**
- **Customer engagement**

**Whilst 24-25 may be challenging, we are very confident the category's long term growth trajectory will continue...**





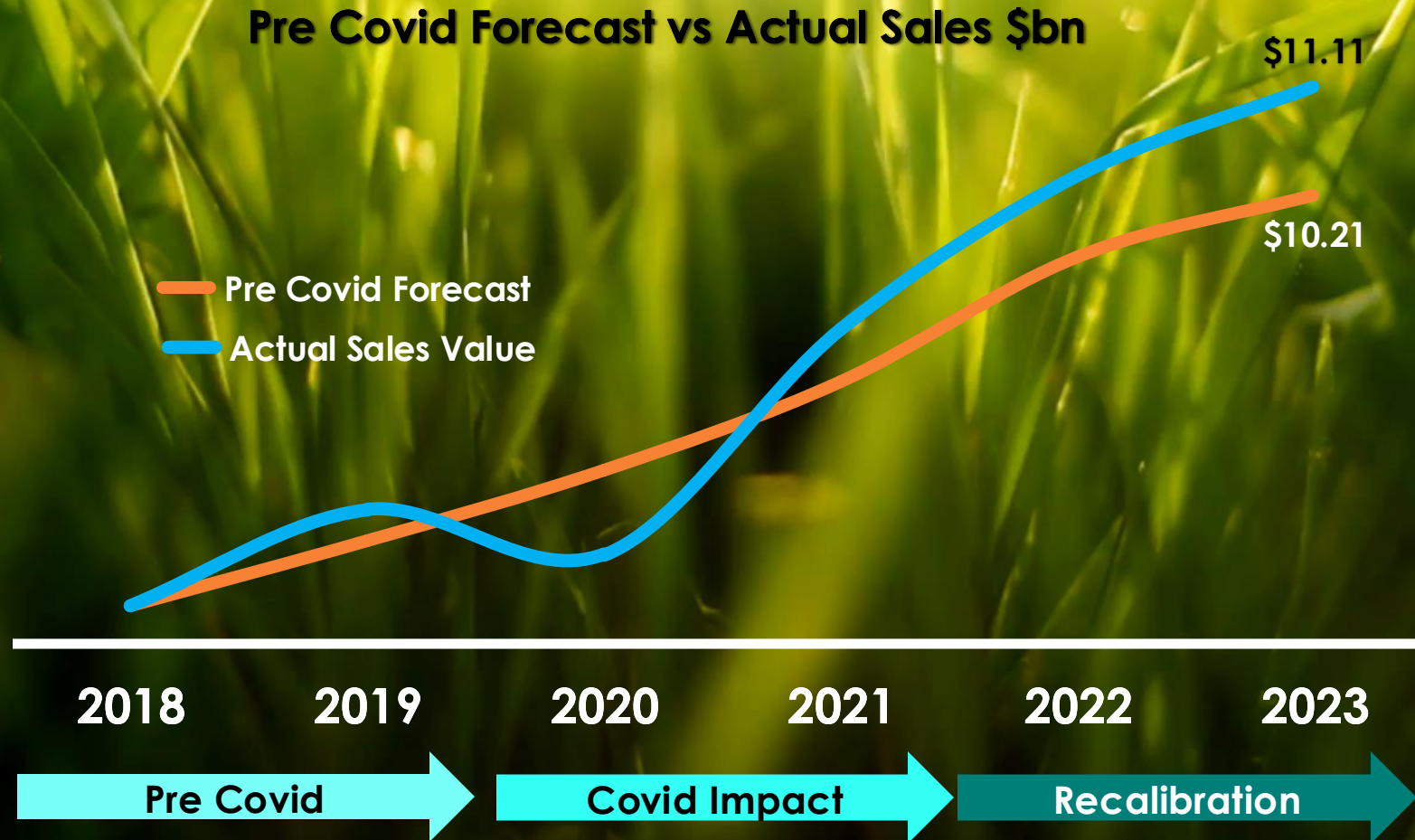
...even with the unexpected Covid boost we all benefited from....



**CLOSED  
DUE TO  
COVID-19**

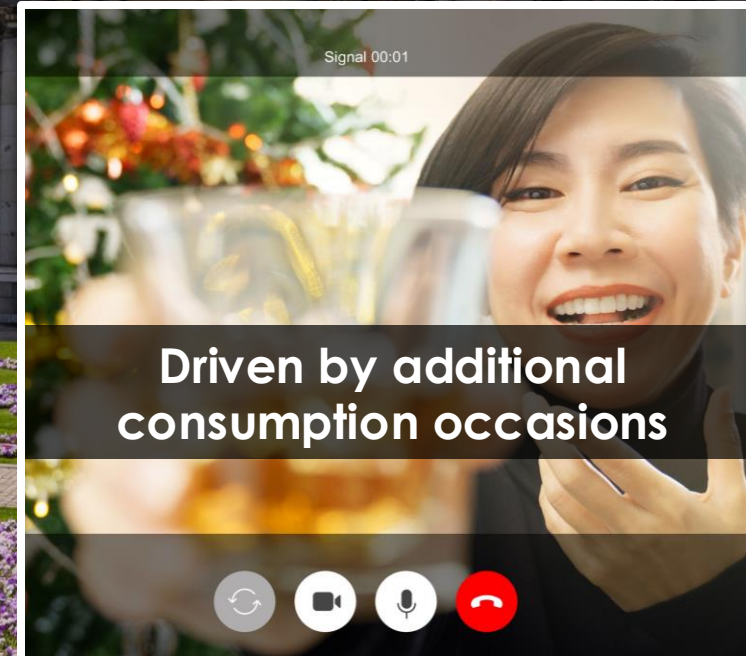


... which saw the single malt category almost \$1 billion ahead of IWSR forecast in 2023





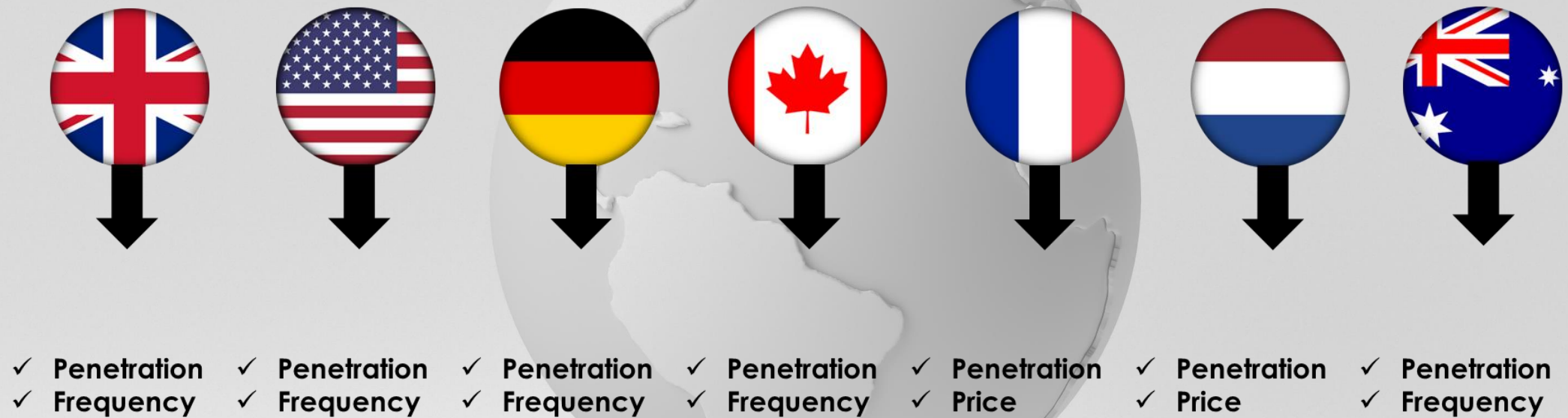
# Covid fundamentally changed consumer behaviour; positively impacting Single Malt consumption





...driven by global penetration increases throughout lockdowns

## Single Malt 22 vs 20 Growth Dynamic





Increases in disposable income due to Covid also led to premiumisation across the entire spirits category...



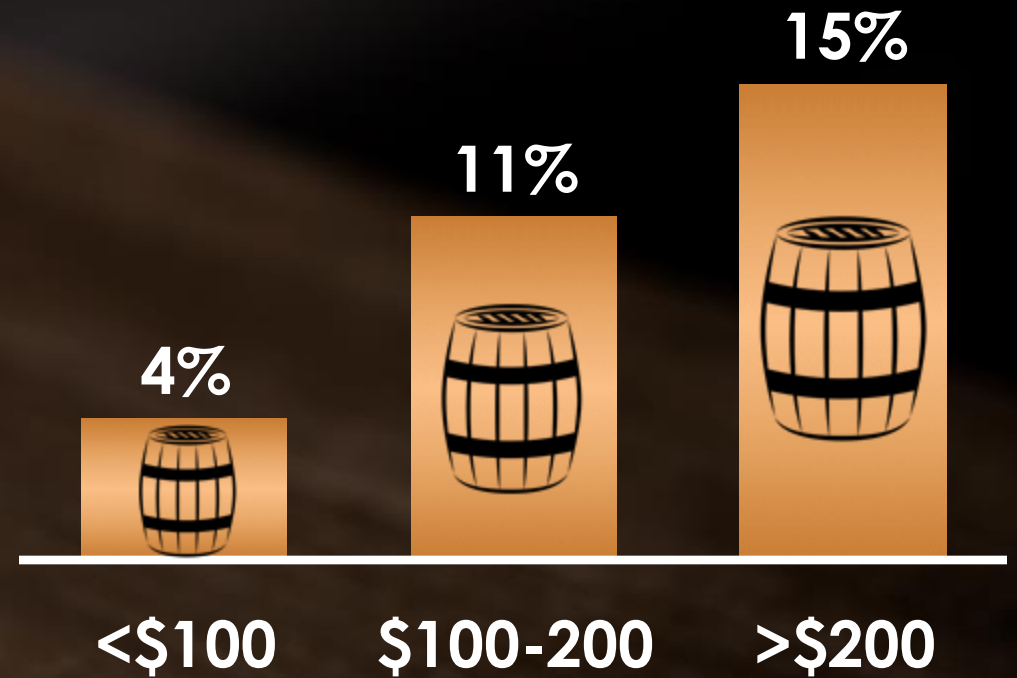
Disposable Income 2020 vs 2019



...but particularly so in single malt with double  
digit volume growth in >\$100 expressions

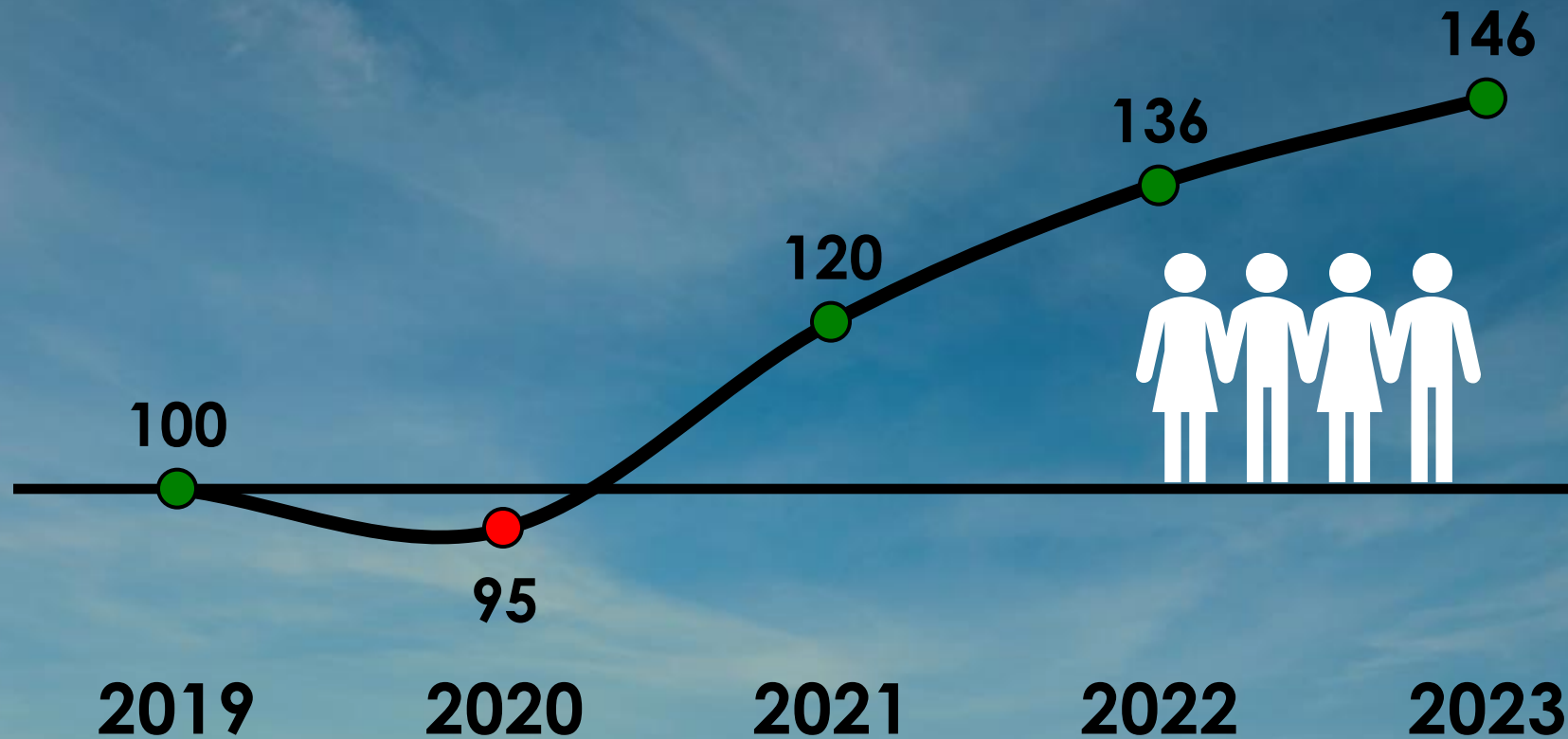


2021 vs 2019 Single Malt Growth  
Vol % Chg by Price Point



**Despite different Covid rules, timings and sales patterns, value growth remains at a staggering +46% vs 2019**

Single Malt Global Value Sales Growth vs Pre Covid







**We shouldn't underestimate the generational  
impact COVID had on peoples' lives**



# Lockdown meant people over invested in their in-home entertainment

£2.2 billion Spent on Home Bars in UK alone 2021 just in the UK.  
Home Bars are now a common option for new build homes in many markets



A close-up photograph of a hand tearing a piece of white paper from a grey background. The paper has the words "Out of Stock" written on it in a cursive font. The word "Out" is in red, and "of Stock" is in black. The hand is visible at the bottom, with fingers pulling the paper apart, creating a jagged, torn edge.

Out of Stock

**This increase in demand led to out of stocks with retailers placing restrictions on the # of skus bought in one trip**



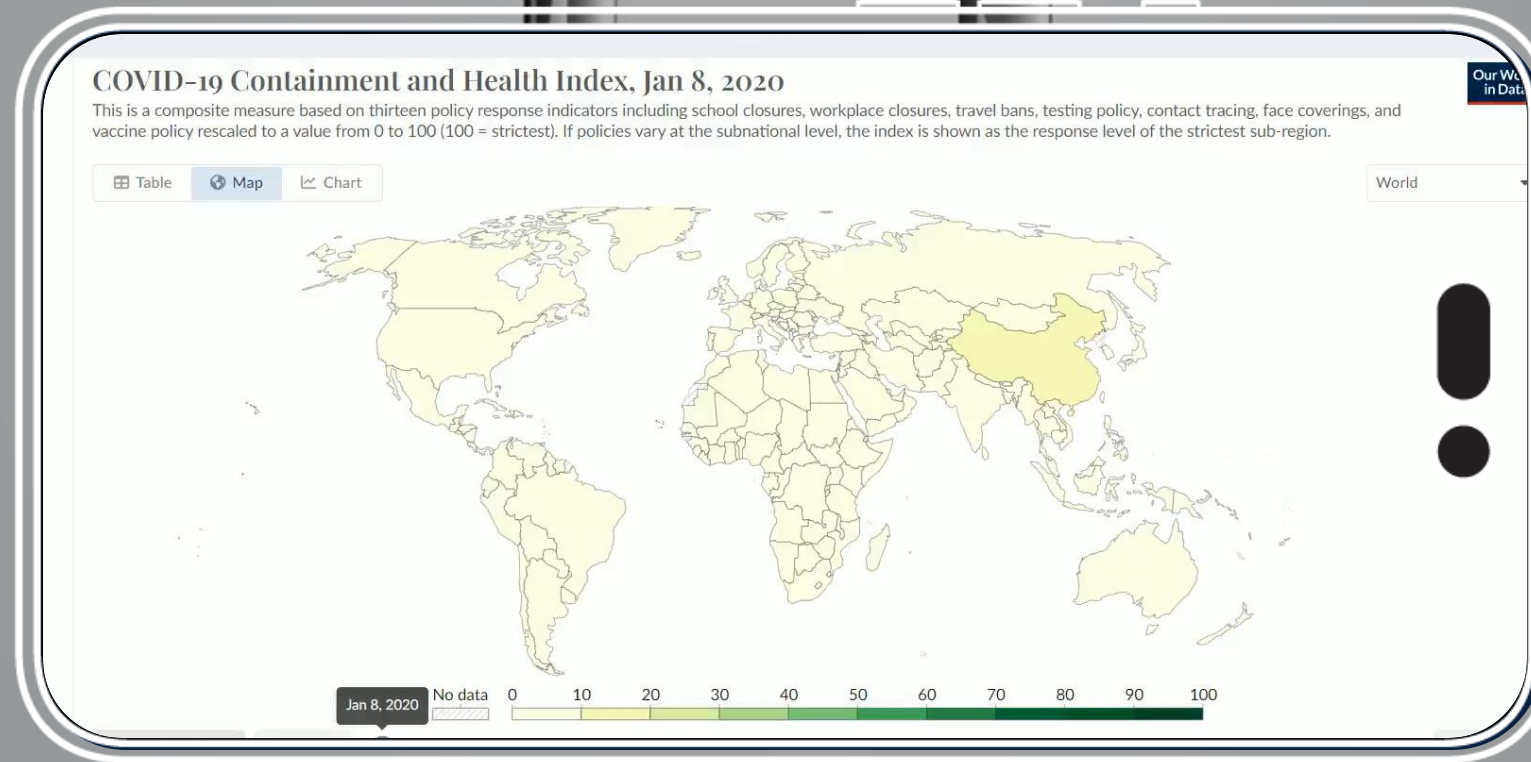
**This surge in consumer demand led to increased stock levels throughout the entire supply chain**



**Markets reopened at different times meaning the global course correction of the category continues to be erratic**



# Markets reopened at different times meaning the global course correction of the category continues to be erratic







**Consequently, the hangover from surges in demand and high levels of inventory are now being keenly felt**



A photograph of a bar shelf filled with various liquor bottles. The bottles are illuminated by warm, glowing lights from above, creating a cozy atmosphere. The bottles include brands like Gallo Vermouth, Bombay Dry Gin, Mandinga, Tazaki, Blended Lough, and Kraken. The background is dark, and the lighting highlights the labels and the liquid in the bottles.

Consumers have more alcohol at home than pre Covid

The background of the slide is a sunset scene with a warm orange and yellow sky. In the foreground, a heavy metal chain is visible, with the last link broken and hanging off to the right. Several birds are flying in the sky, their silhouettes dark against the bright light of the setting sun. The overall mood is one of liberation and transition.

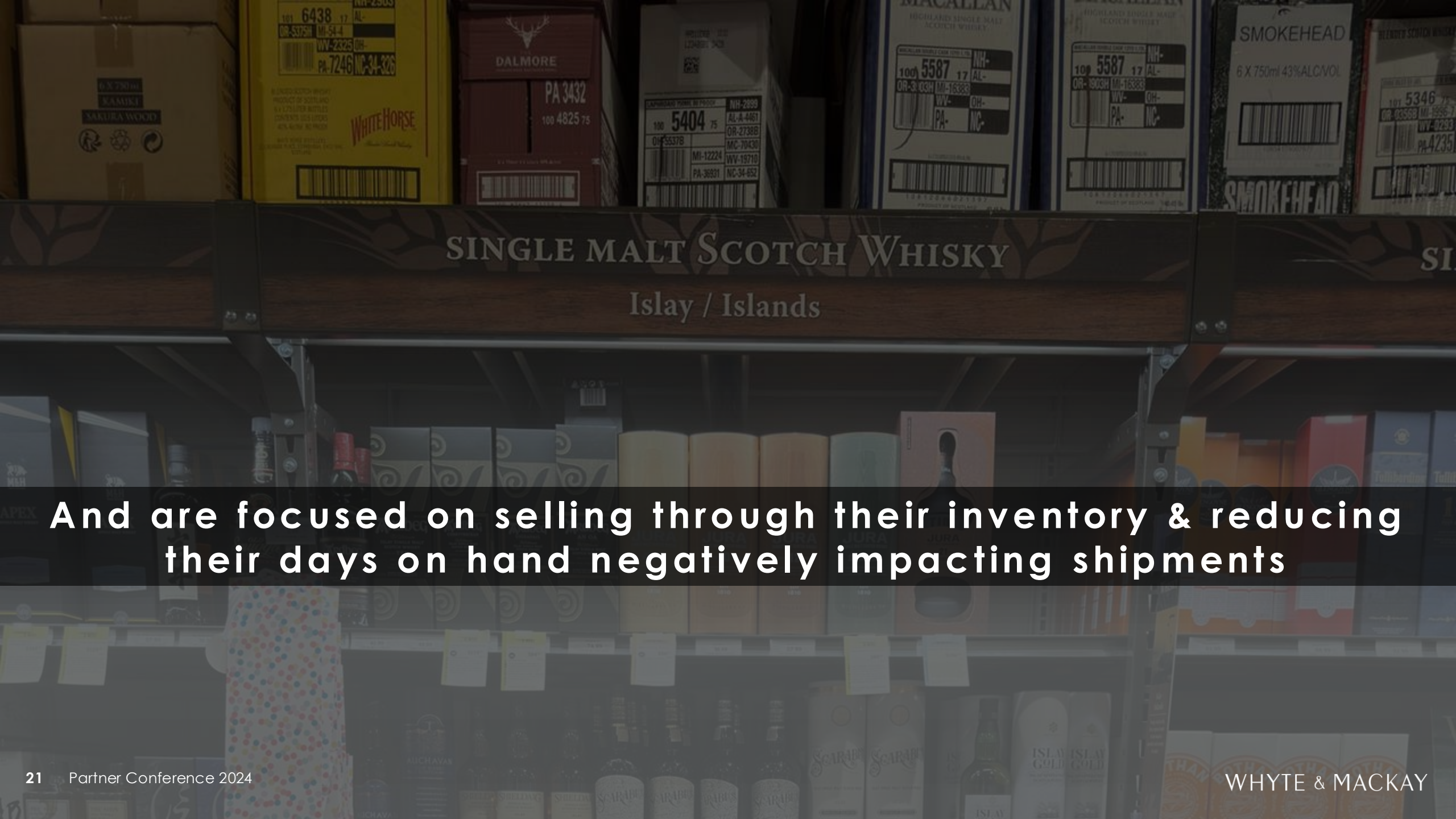
**Consumption has also returned to pre Covid  
levels in what is now the NEW normal**



# costs



**Globally, retailers & wholesalers actively reducing inventory to strip costs out of the supply chain**



SINGLE MALT SCOTCH WHISKY  
Islay / Islands

**And are focused on selling through their inventory & reducing their days on hand negatively impacting shipments**



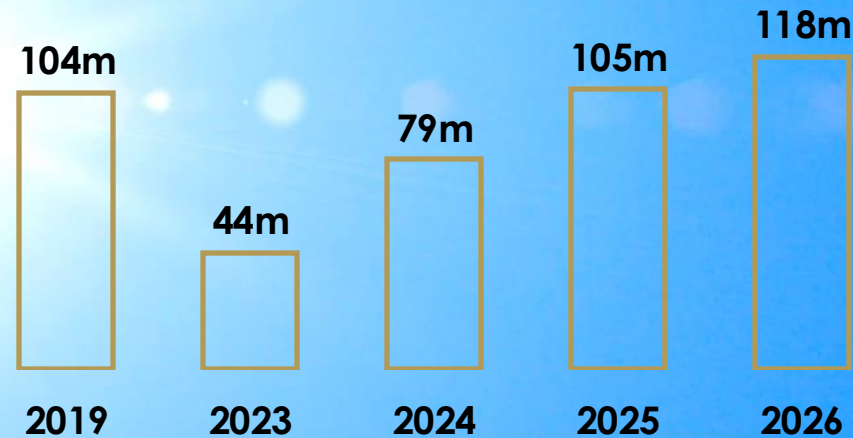
**This combination of imbalance between stock levels in the pipeline and consumer demand disrupted the supply chain**





**However 2025 will see air travel return to Pre Covid levels  
ending the last significant Covid global disruption**

**International Passengers to  
and from China**



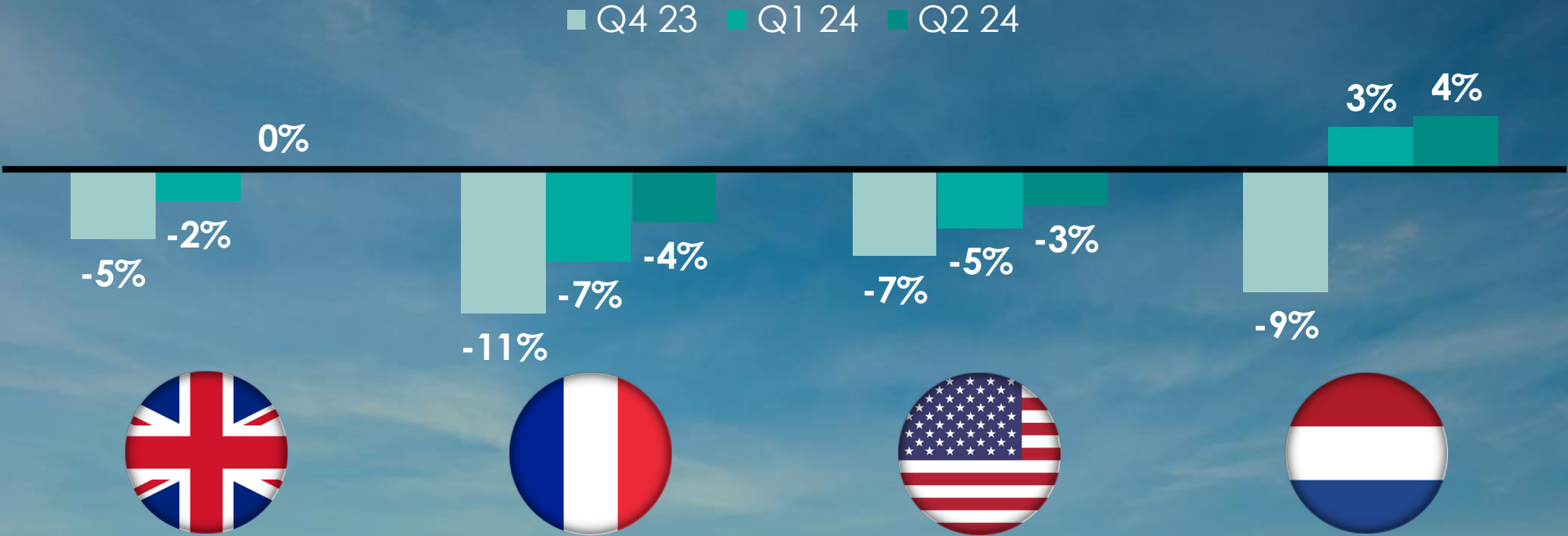




Despite the headwinds, we can  
see the beginning of the recovery

# The green shoots of increased consumer demand are there...

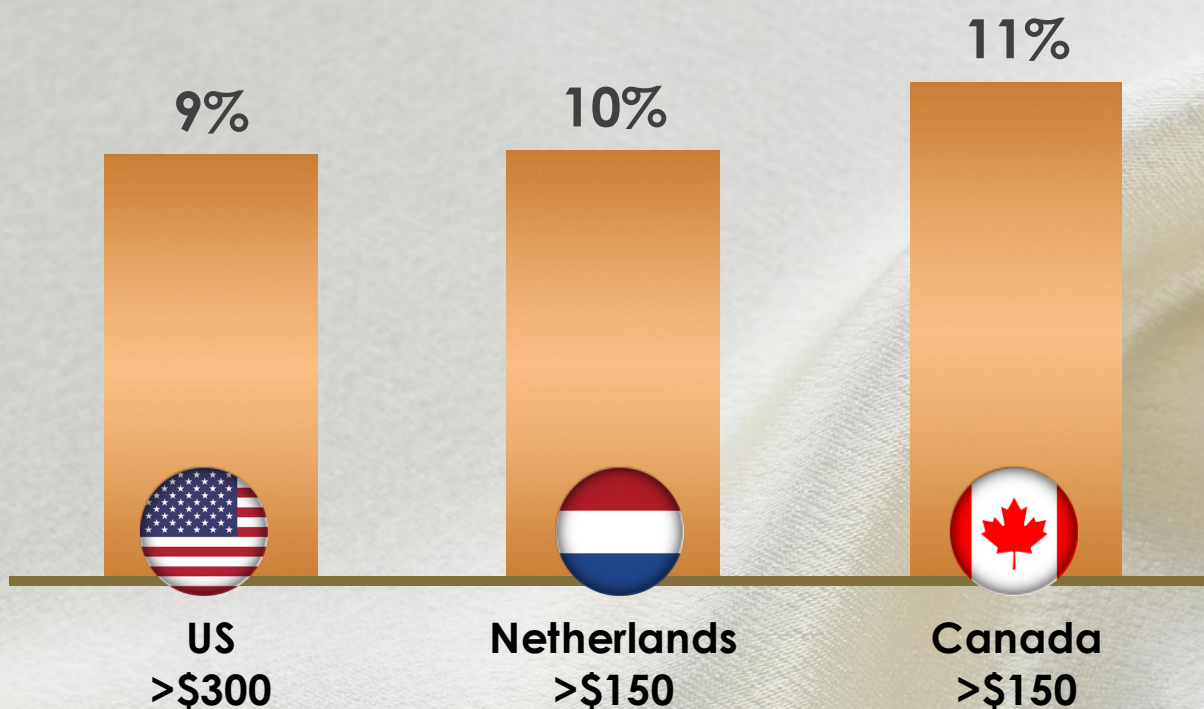
## Single Malt Sales Value Growth by Quarter



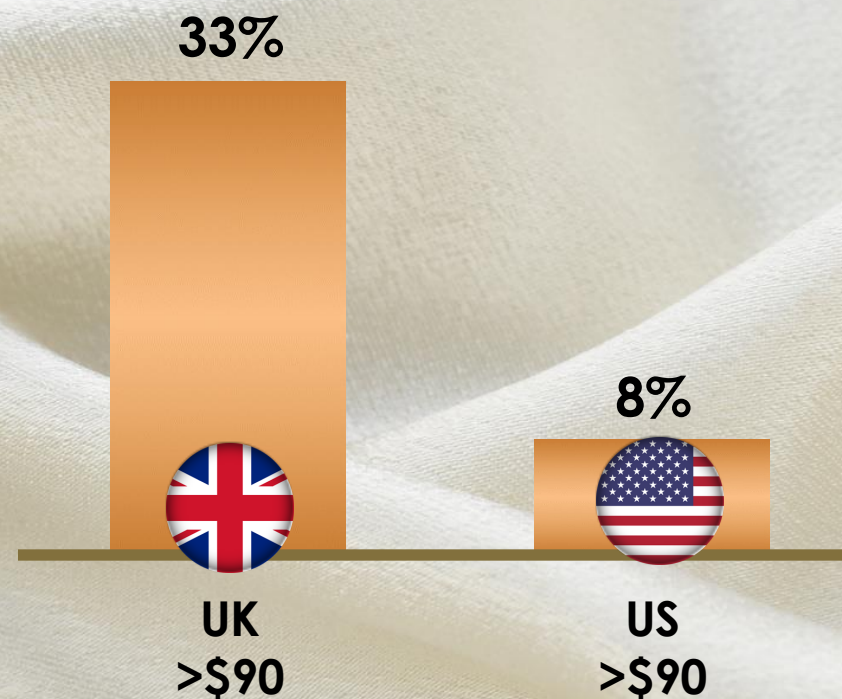


# ...with a return to growth in premium price points giving confidence for future growth

Value Sales – Last 6 Months



Grocery Value Sales Last Quarter





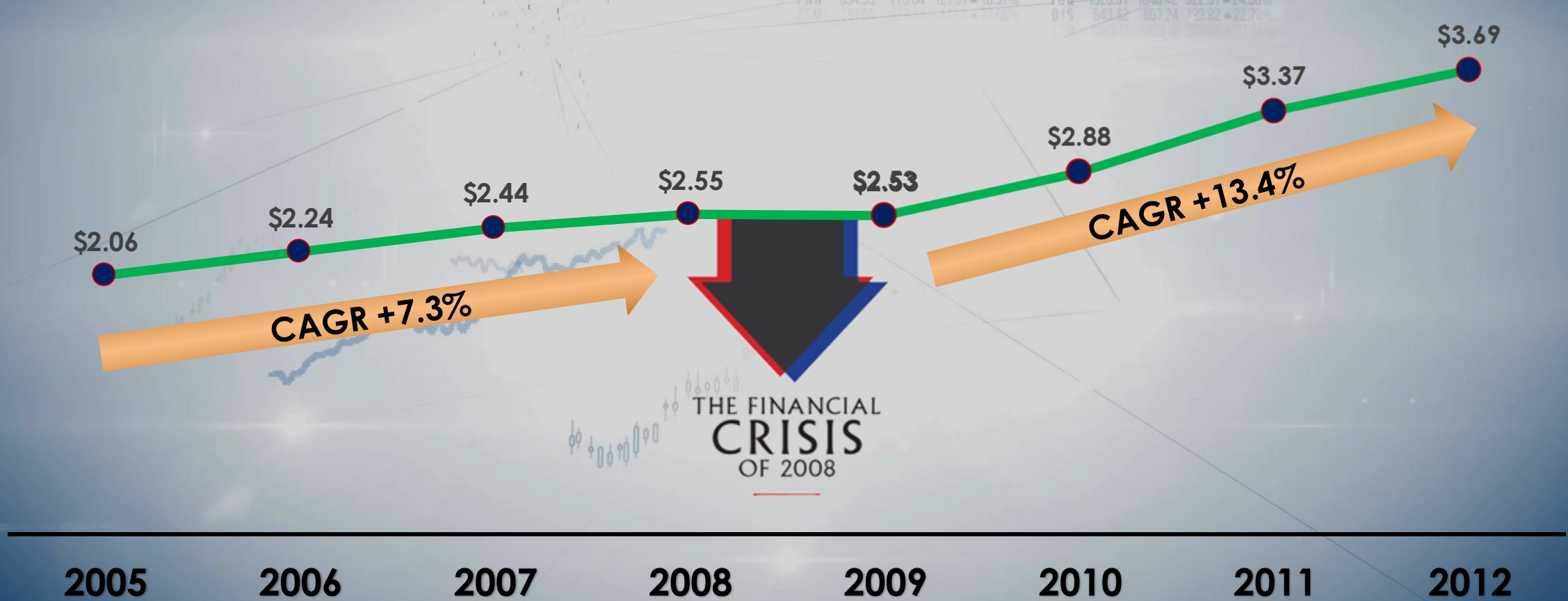


This isn't the first crisis Single Malt has rebounded from

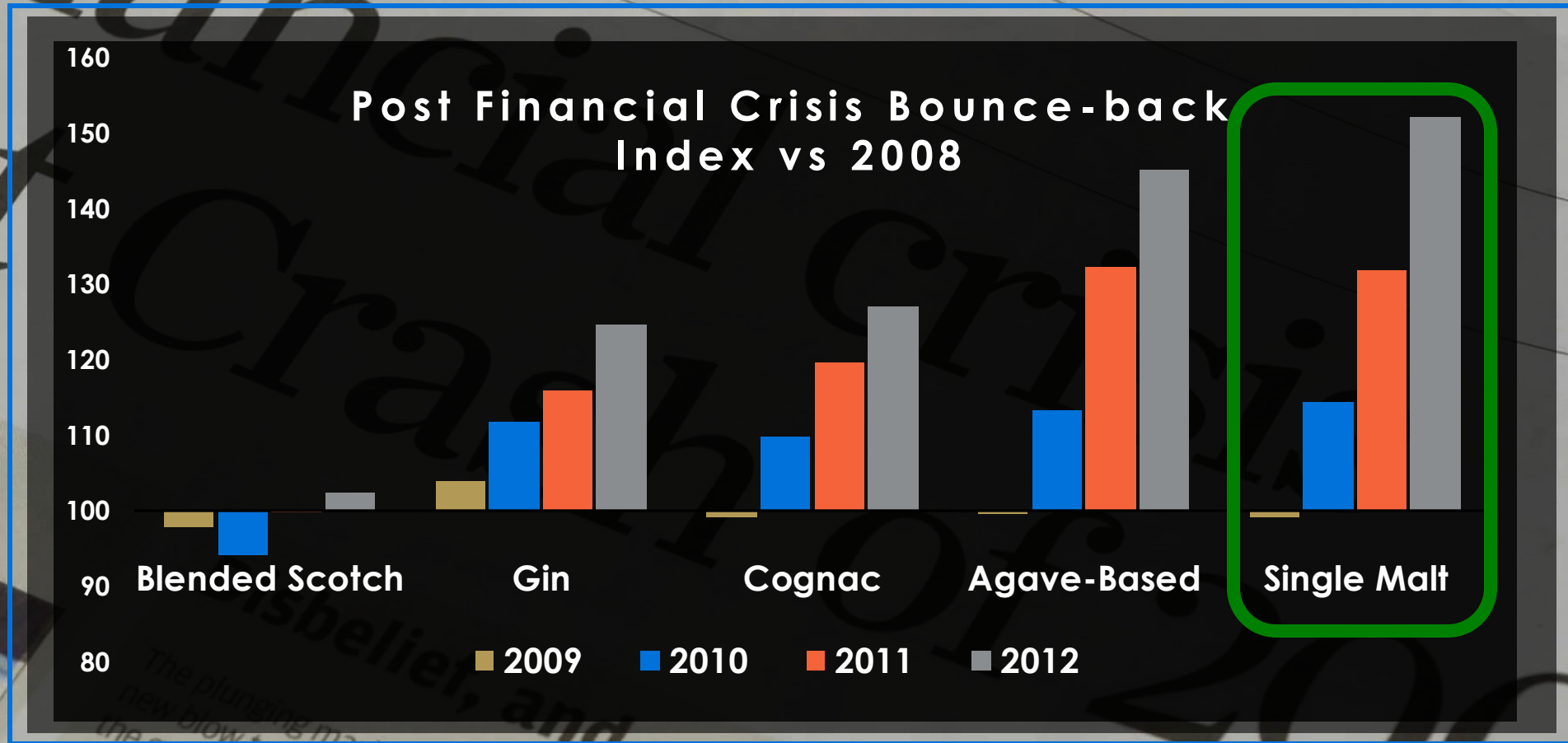


Single Malt was only impacted at the peak of the Financial crisis before restoring double digit CAGR growth from 2009-2012

Single Malt Sales Value (\$bn) 2005 -2012



# Single Malt was the quickest to recover from the crisis







# The importance of Single Malt growth



...not just for W&M but for you & your customers



**MORE  
PROFITABLE**



**GROWING  
FASTER**



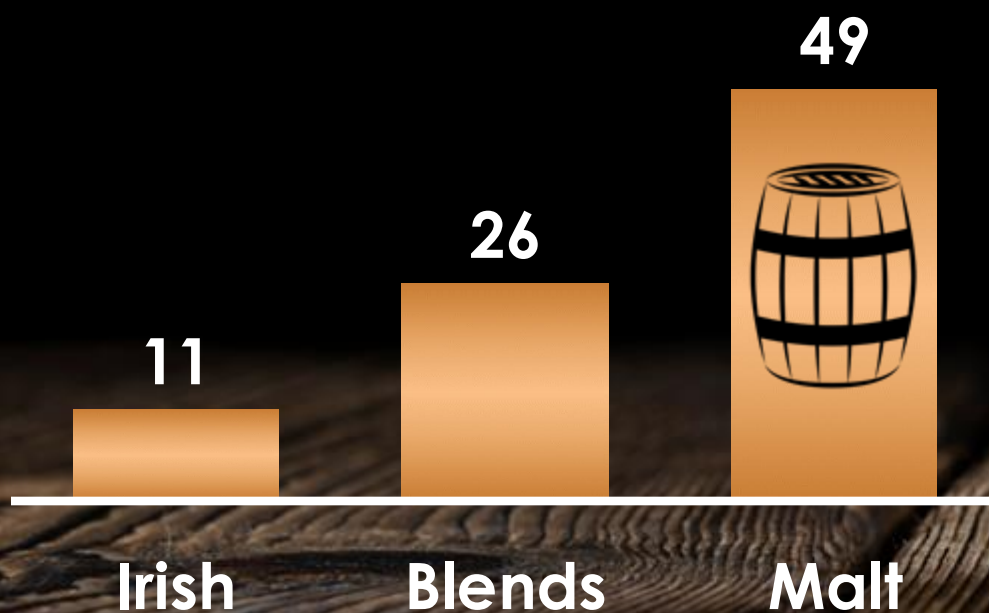
**BIGGER  
BASKET**



## 1. More Profitable

Single Malt is less consolidated than other categories which in turn delivers higher margins for the customer

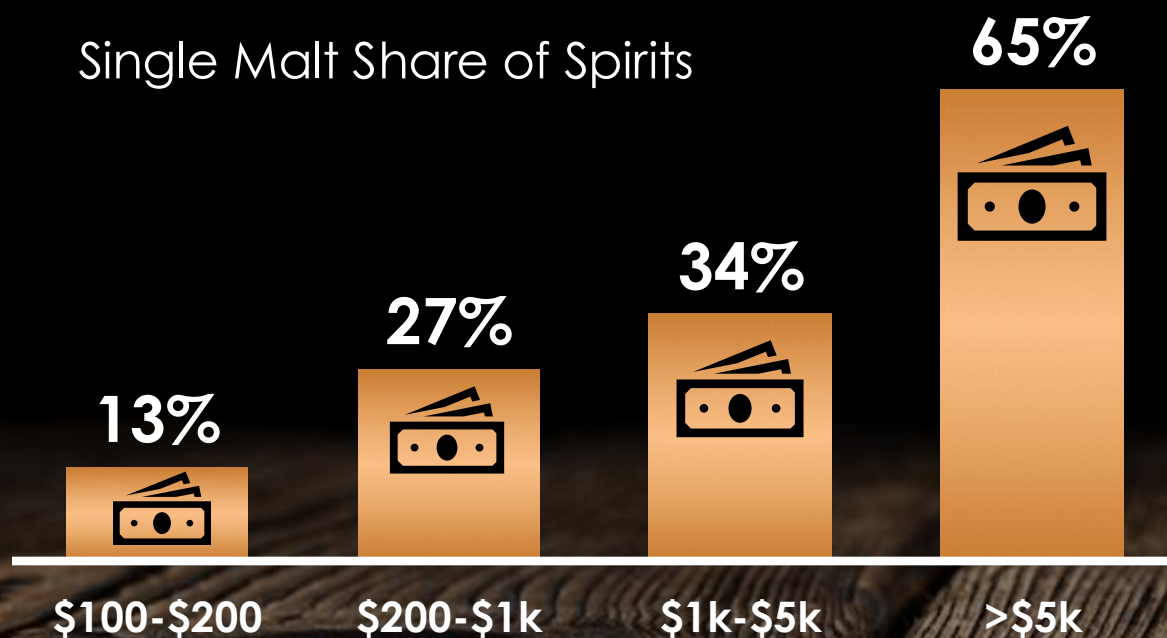
#brands in Top 90% of Sales Value



## 1. More Profitable

It also has a high average price of \$68 per bottle and dominance in the higher price tiers

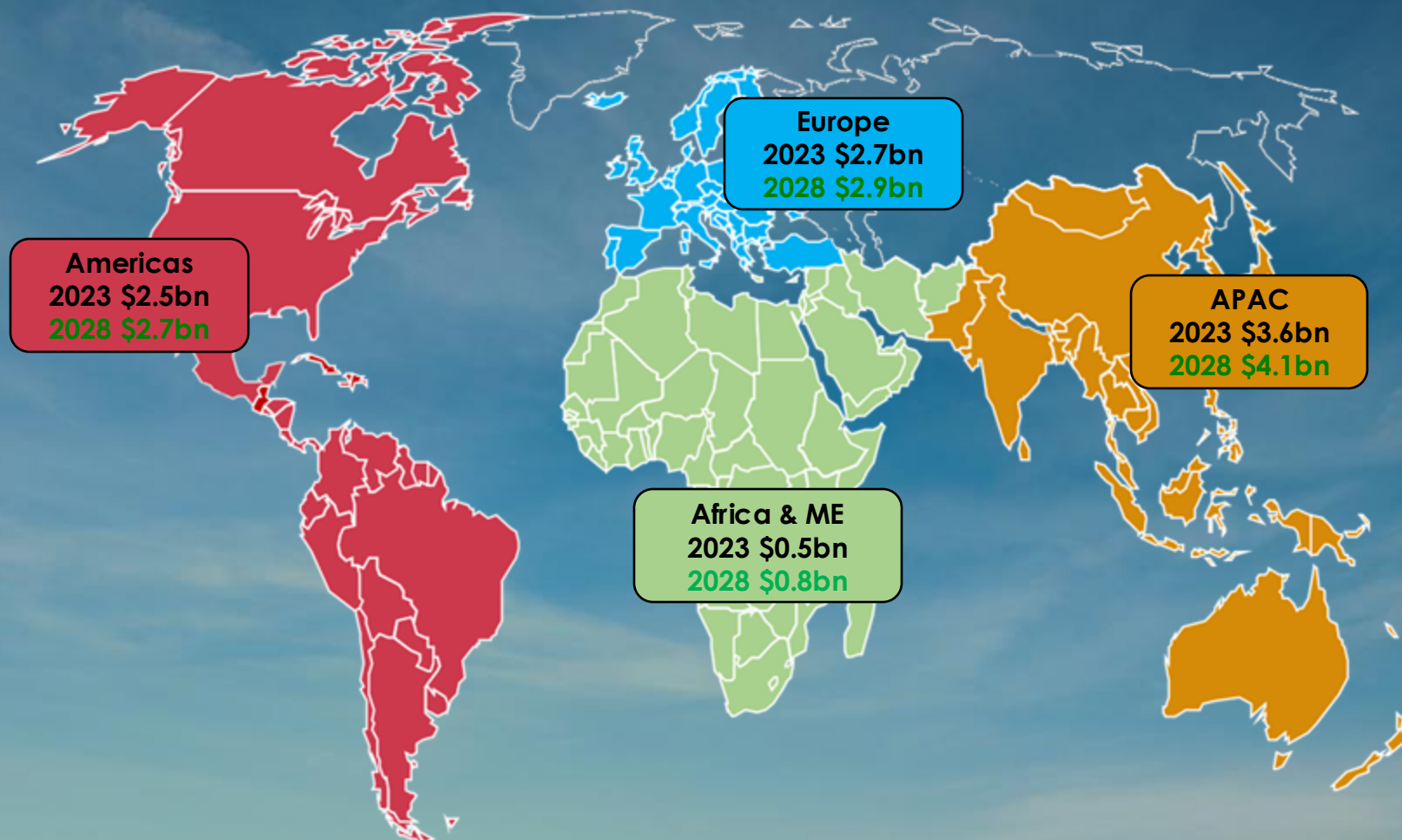
Single Malt Share of Spirits





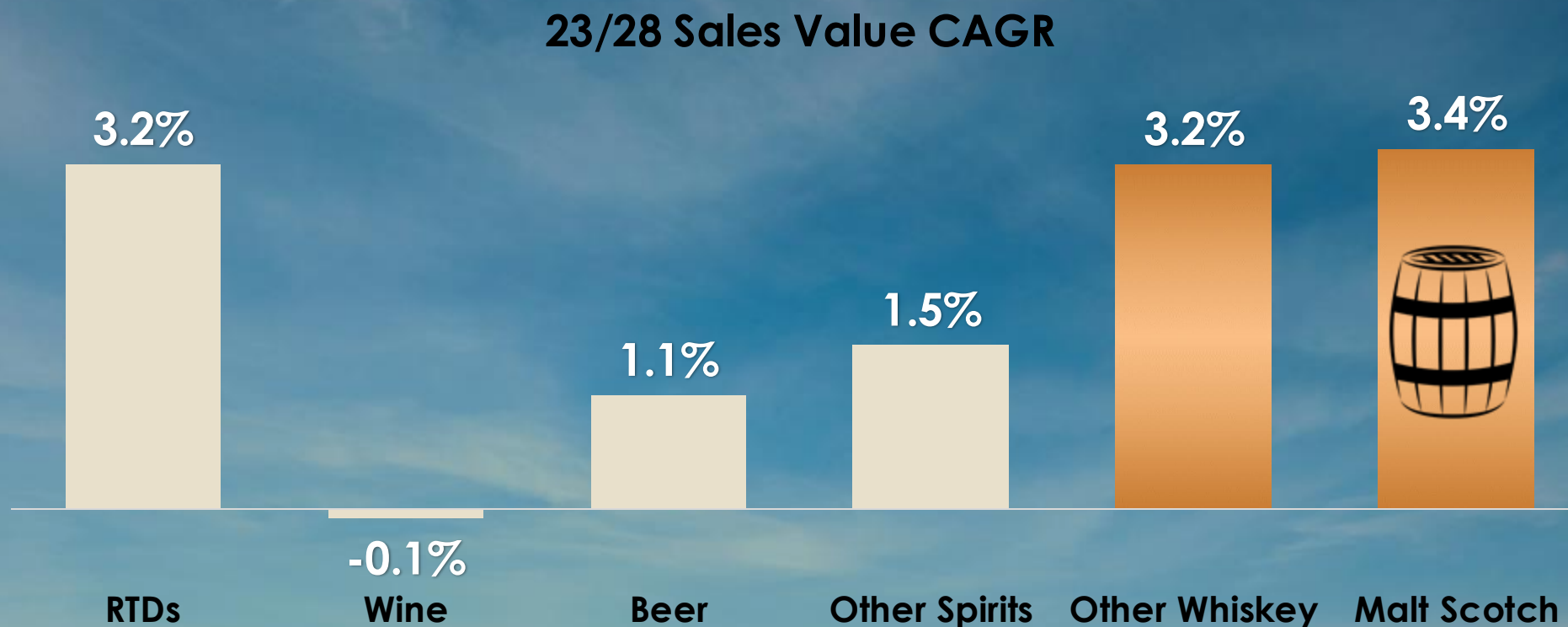
## 2. Growing Faster

Single Malt is forecast to grow everywhere; worth +\$13bn by 2028



## 2. Growing Faster

... and this growth is forecast to continue  
with Whiskey accelerating vs BWS





### 3. Bigger Basket

Single Malt customers are the most profitable in spirits; they make more trips, spend more per trip & have larger total baskets



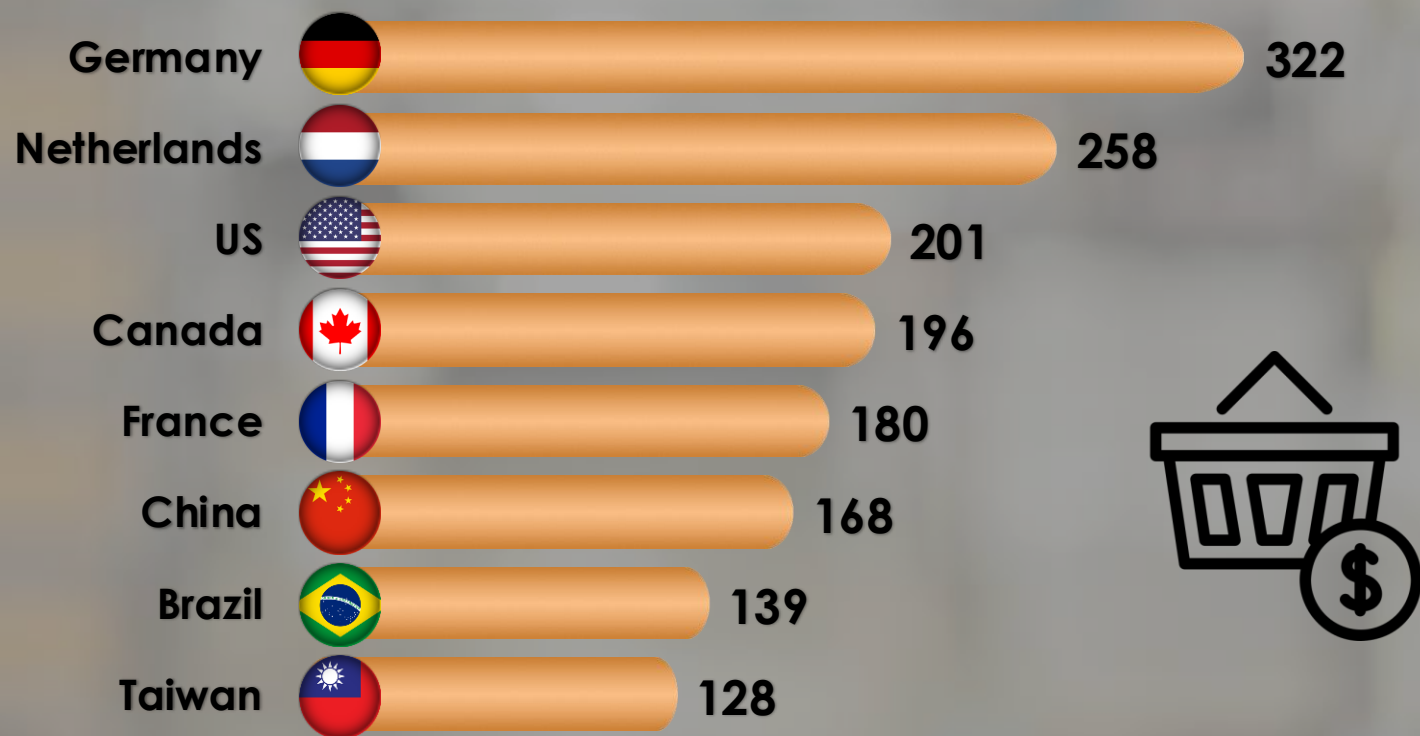
US Single Malt Shoppers Spending Pattern across other Categories & Variance vs Spirits



### 3. Bigger Basket

...and they spend significantly more on spirits than the average Spirits shopper

Single Malt Basket Spend Index vs Spirits







# Evolving Shopper Understanding

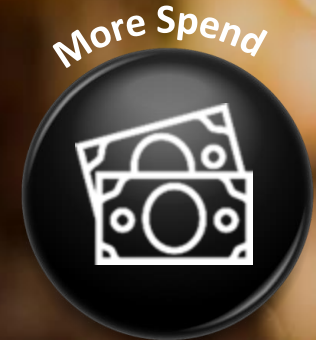
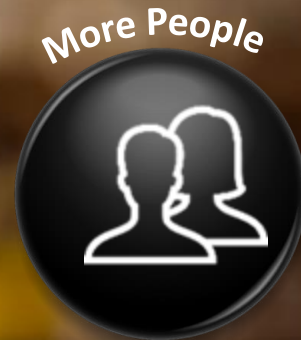


# Weaving W&M Vision ... ... into our Category Strategy...





# Our W&M category strategy has identified key growth drivers to overcome barriers to purchase



# We have also identified four key global shopper missions



**Replenish**

Most likely to buy **this** trip

Least time at fixture



**Gift**



**Treat**



**Browse & Research**

Least likely to buy **this** trip

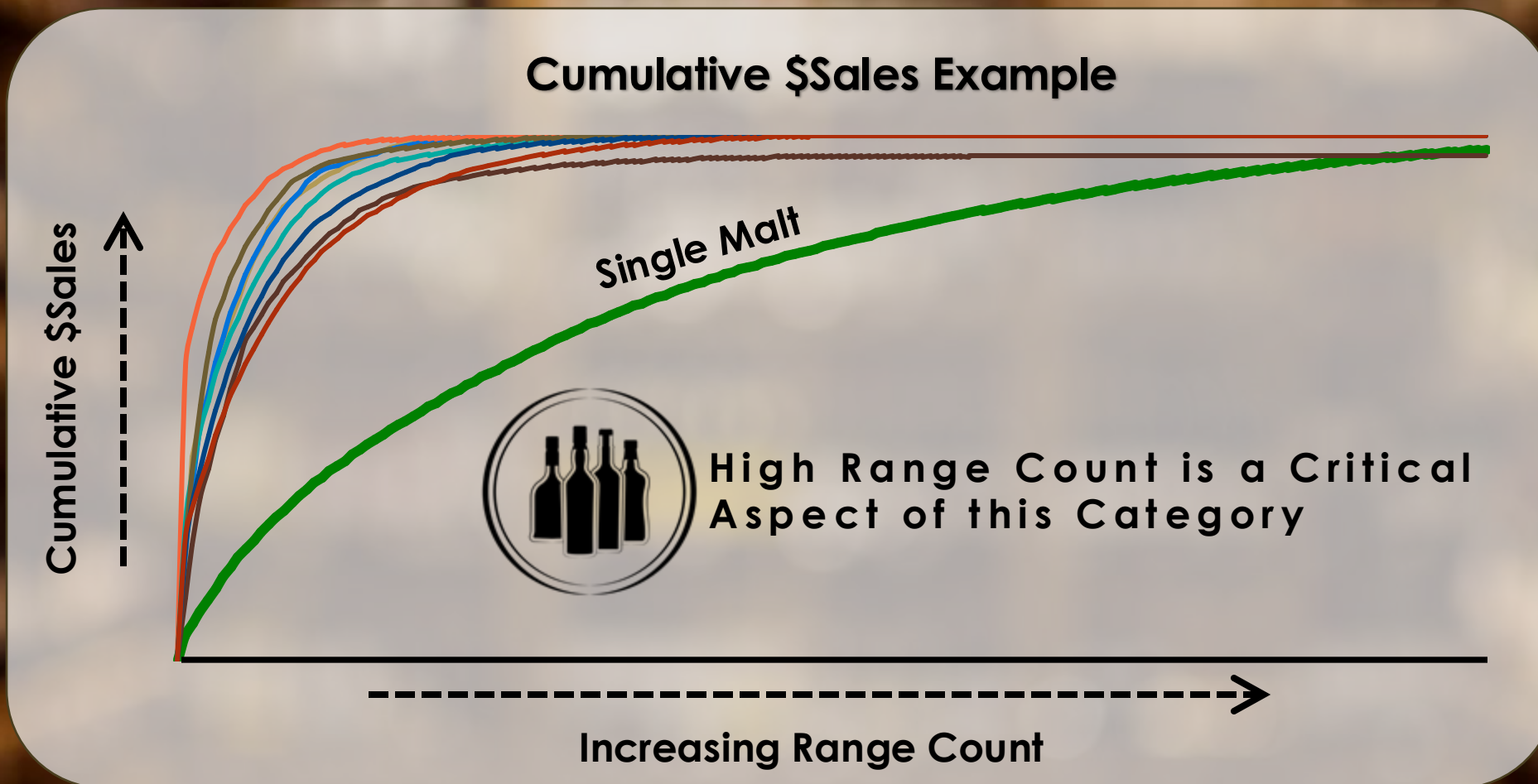
Most time at fixture



# We are evolving the key principles to provide a clear and consistent decision hierarchy to drive category penetration



This is important because Single Malt doesn't follow the same ranging principles as other spirits categories







We have engaged many  
of the world's biggest  
retailers to build their  
awareness of the  
importance of the Single  
Malt category

# Iper La Grande; Italy

“

*We haven't seen  
this quality of  
merchandising  
solutions before.*

Giacomo Gambarotta  
Category Buyer  
Iper La Grande



# BC Liquor; Canada

“

*That was a brilliant  
category  
presentation.*

Natalie Schiewe  
Director, Merchandising  
BC Liquor



# Total Wine; United States

“

*That was a brilliant  
category 1 pager.*

Natalia Gozola  
Senior Director Spirits  
Total Wine & More



# CO-OP; United Kingdom

“

*You have really got  
under the skin of Co-  
op and our Shoppers  
at pace.*

Andrew Edwards  
Category Partner  
COOP

# Coles Liquor; Australia

“

*Really great insights  
in a simple format.*

Frank Jugovic  
Category Buyer Manager  
Coles Liquor (Australia)



**In 2025 we will have access to shopper insights -  
GLOBALLY**

**And with every partner  
here today;**

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We'll build compelling sales stories  
Engage with the luxury shopper  
Support growth opportunities





# And to align with our growth aspirations we are now identifying POP solutions for luxury Single Malt



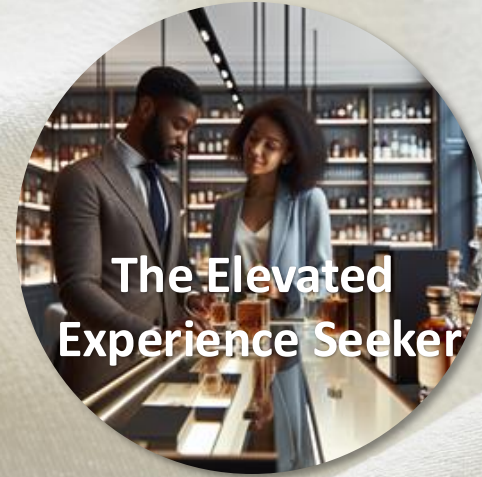
**The Impatient Shopper**

**“ I would be annoyed if I had to wait any more than 2-3 minutes - Age 36, Female – Australia**



**The Tech-Savvy Enthusiast**

**“ I think a self serve option would be very cool and make it feel like a special experience - Age 29, Male, US**



**The Elevated Experience Seeker**

**“ The staff really took their time with me. You know, just to discuss the occasion. - Age 66, Female – Canada**



... and in summary

**Despite immediate challenges, the long-term growth trajectory for Single Malt is compelling**



**Engine of  
Spirits Growth**



**Category  
Resilience**



**Customer  
Opportunities**



**Consumer  
Demand**



Thank you!