

Insights Unwrapped

Will Indian Wine Quench the Thirst?

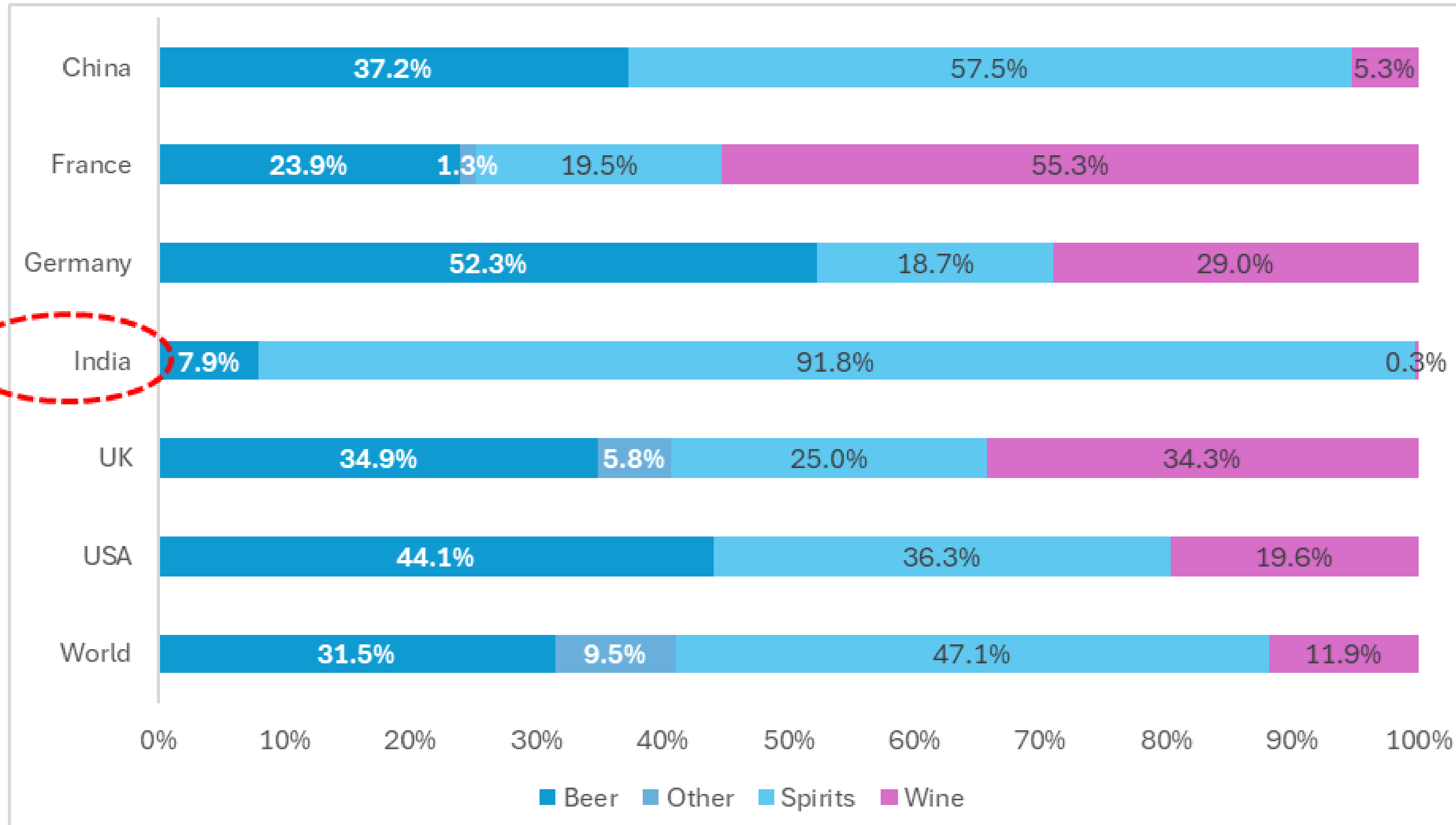
Indian Wine Industry Overview

*India's Rs 2,600 crore wine industry is experiencing a significant upswing, driven by premiumization, rising living standards, and a growing trend of wine tasting among millennials. Despite a strong 11.9% growth between 2020-23, surpassing the industry's 5.8% growth in the same period, the market remains resilient. **Per capita wine consumption stands at a mere 40ml annually, compared to the global average of 5.45 liters. Even China, not traditionally a wine-consuming nation, averages 1.56 liters per person annually.***

With just 10 million wine drinkers, wine currently represents less than 1% of India's overall alcohol consumption, highlighting the massive potential for growth in this nascent market.

Significantly Lower Consumption Vs. Global Average

Contribution of Alcoholic Beverages in 100% alcohol; CY2023



The contribution of wine to overall alcohol consumption in India is less than 1% against the world average of close to 12%.

Consumption of wine is higher in developed countries reaching as high as 30% in Europe.

Wine Market- Outpacing Industry Average

Alco-beverage consumption in India (in Million cases) and CAGR for Fiscal

CAGR (FY)	Beer	Country Liquor	IMFL	Wine	Total
2015 – 2020	1.3%	0.6%	1.8%	2.6%	1.2%
2020 – 2023	1.0%	1.0%	3.6%	6.3%	1.6%
2023 – 2028P	8.0%	4.9%	5.7%	14.5%	6.9%

Source: Technopak Analysis

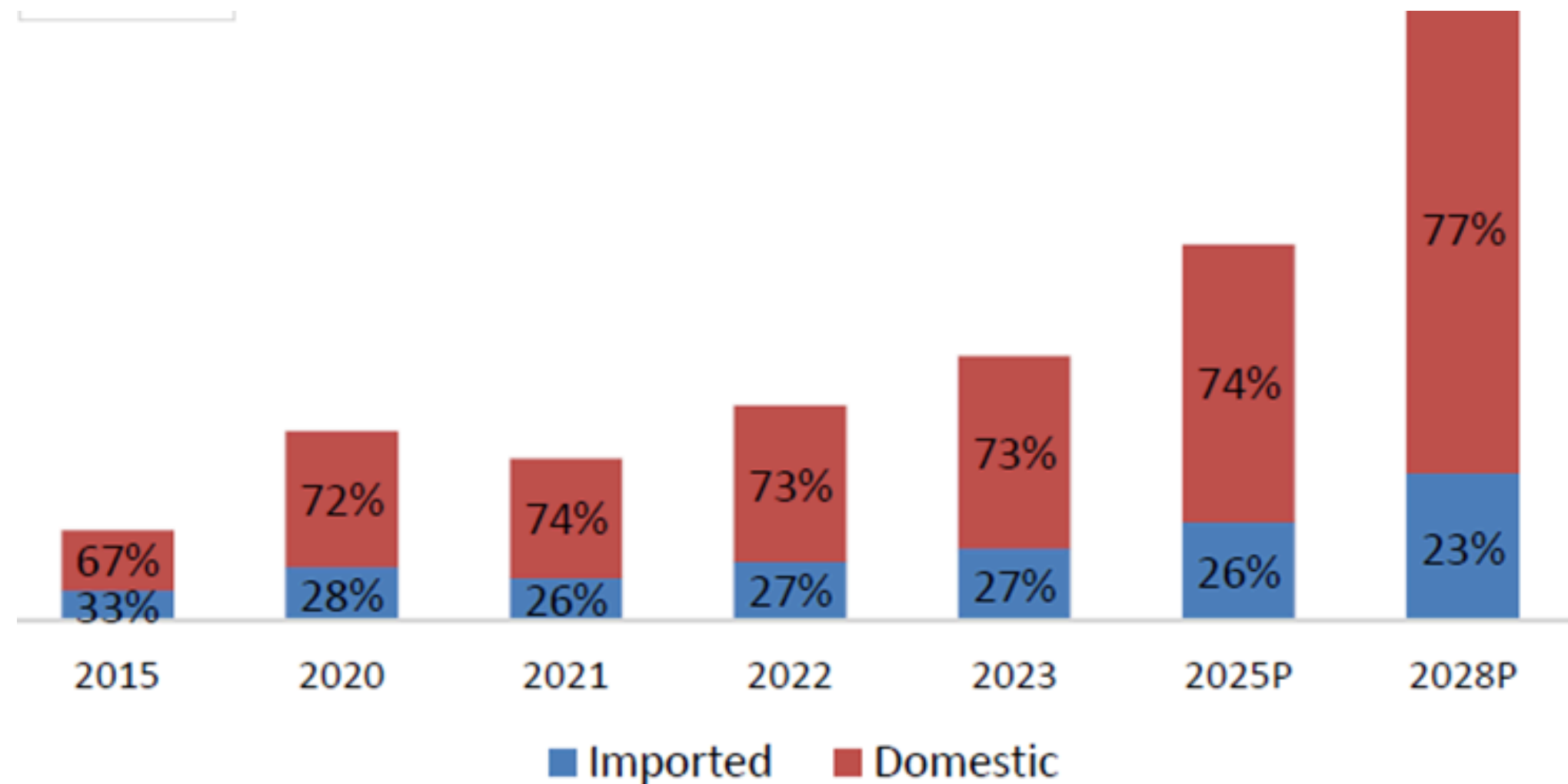
Note: Data projected basis Multiple State Excise Depts., Annual Reports WHO data

In the overall alcoholic beverage market, wine has shown steady growth and is projected to experience a compound annual growth rate (CAGR) of 14.5% from 2023 to 2028P by volumes. This significantly outpaces the industry average, which is forecasted to grow at a CAGR of 6.9% during the same period.

(Source: Technopak Analysis, ABDL Presentation)

Shifting Dynamics- Domestic Wine Share rises

Indian Wine Industry Market Size by Value (INR Crs)



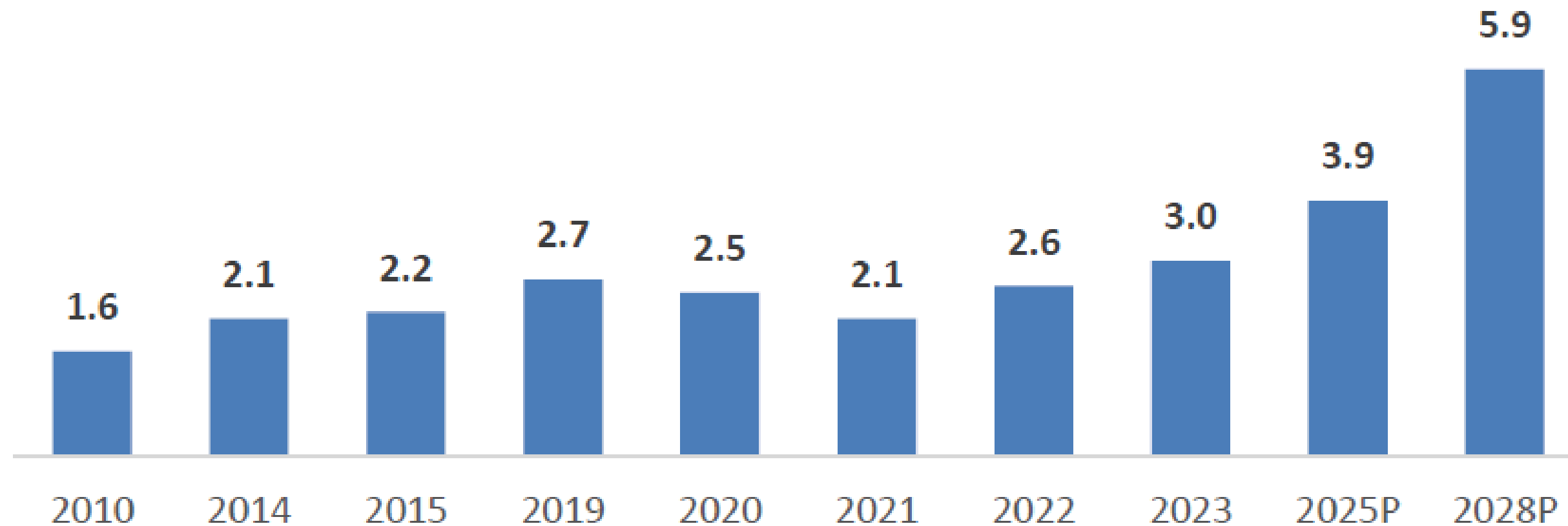
Source: Technopak Analysis 2024

*In the early 2010s, imported wines fueled India's nascent wine market, but domestic players gained ground as the **share of imported wines dropped from 33% to 27% by the end of the decade.***

*The Indian wine market reached ~INR 2,660 Crs by value in FY23 and is expected to increase to INR 6,425 Crs by FY28 - **a CAGR of 19.3% by value, largely due to premium wines.***

Future Growth to be led by Domestic Players

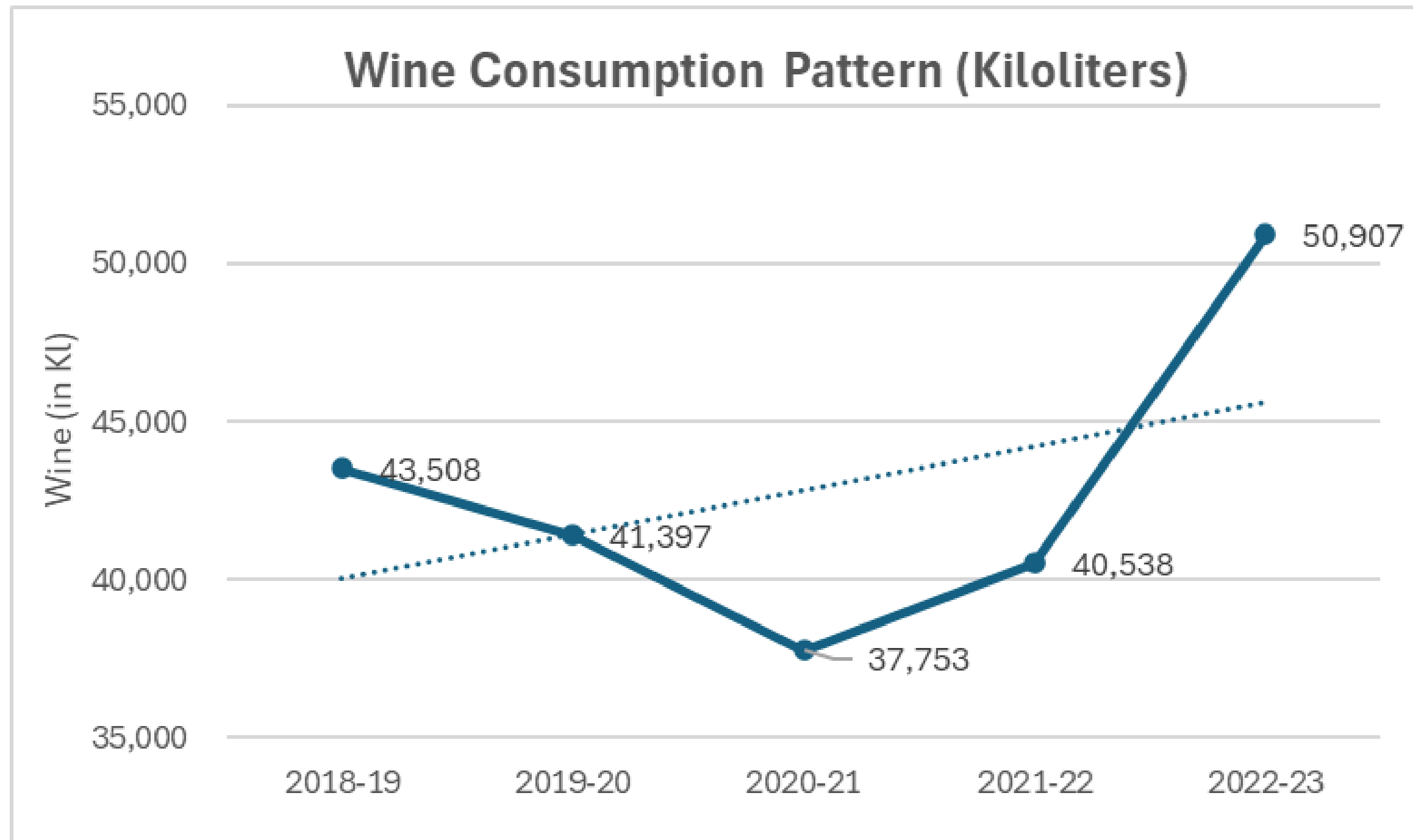
Indian Wine Industry Market Size by Volume (In Million Cases)



The Market is projected to grow at a **CAGR of 14.7% in terms of volume from FY 2023 to FY 2028** with domestic players likely to take leadership.

The growth is led by changing lifestyles, increasing urbanization and disposable incomes, and a growing interest in wine culture.

Growth Volumes supported by Premiumization

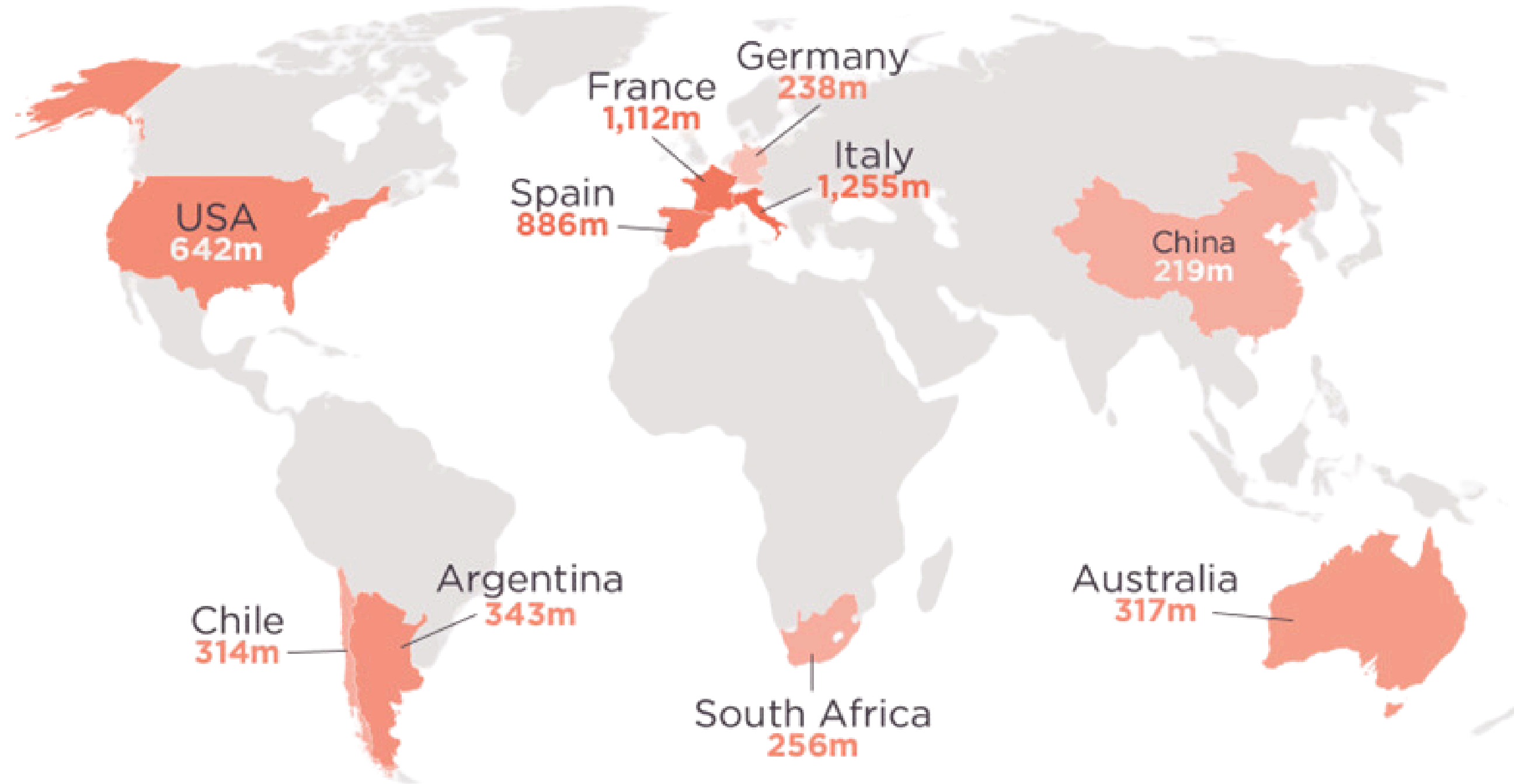


Source: CMIE Database

*Wine consumption has surpassed pre-pandemic levels in volume, unlike rectified spirits and beer, with a **growing share of premium wines, as noted by the top 3 domestic producers.***

The World's Top Wine Producing Countries

2019 wine production, in *millions of gallons*



Source - International Organisation of Vine and Wine

India vs. Global Wine Market: A Stark Contrast

Market Size Comparison of Beer, Spirits and Wine

Country	Beer		Spirits		Wine	
	Market Size (in mn cases)	Top 3 players	Market Size (in mn cases)	Top 3 players	Market Size (in mn cases)	Top 3 players
China	~3800	~65%	~1000	~10%	~170	<10%
USA	~2500	~70%	~270	~(30%-40%)	~360	~40%
France	~250	<50%	~35	~(35%-45%)	~275	~20%
India	~300	~80%	~350	~(40%-45%)	~1.7	~80%

Source: MNCL Research

Indian Wine market size is only 1.7mn cases (compared to 360mn cases in the US and 170mn cases in China). The market is largely dominated by the top 3 players, presenting significant challenges for new entrants.

Top Players in Wine- Controlling 80% of the market

Segment	Rank	Company	Turnover FY24 (Rs Crs)
Wine	1	Sula Vineyards (listed)	548
	2	Fratelli Wines (listed)	216
	3	Grover Zampa Vineyards*	21 [^]
Source: Annual reports, Technopak Analysis, Infomerics Rating			

* Raised Rs. 69.10 crore of equity as of June 30, 2024 ad likely for additional Rs. 26.9Crs in next few months (Source: Infomerics Ratings); ^ provisional sales (FY23 audited Turnover: Rs 63.5Crs)

Wine Market comparison India vs China (by volume) CY20

Country	Top Companies	Share in Wine Market
China	3 (Changyu/ Great Wall Winery/ Silver Heights)	~8%
India *	3 (Sula, Fratelli, Grover)	~80%
Source: Technopak Analysis, Sula Vineyards RHP		
* Domestic 100% grape wine market		

Three players control 80% of India's wine market, with a wide gap after the second, creating an almost duopoly. In China, the top three hold just 8%.

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