MARKET WATCH

MARKET INTELLIGENCE ON SPIRITS, WINE AND BEER

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WINE SENSE

Building A Market Presence

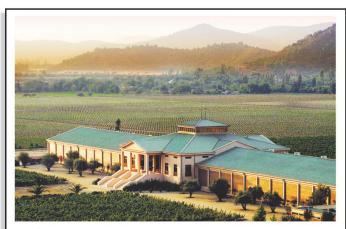
The U.S. arm of Sherry house González Byass has grown dramatically in recent years.

After increasing its presence in recent years through a mix of organic growth and acquisitions, González Byass USA is refocusing its portfolio on a number of key brands that it expects will drive further gains in the months ahead. This year, the Spanish company expects its U.S. business to total around 220,000 cases, representing an impressive increase of 130,000 cases over the past two years. In that time, González Byass has augmented its brand stable with Chile's Veramonte wines and several Mexican brandies, including Don Pedro, Presidente, and Azteca de Oro. As the González Byass USA portfolio has expanded, so too has the company's headcount, which is now at 30 employees after a rise of 50%.



In the Chilean category, Veramonte

—which González Byass acquired from the Huneeus family in 2016—will be certified organic beginning with the 2017 vintage. "The lower end of the Chilean category is struggling," Bertino says. "But we see opportunity in the \$15-\$20 range with Veramonte's Ritual and Primus wines, and at the high end with Neyen (\$50)." Meanwhile, Veramonte will launch a rosé of Pinot Noir (\$12) under its core brand in September.



González Byass USA is current refocusing its portfolio on key wine, brandy, and Sherry labels in an effort to further growth. The Spanish company's premium Chilean wine brand Veramonte (winery pictured) will be certified organic starting with the 2017 vintage.

Nicolas Bertino, a company veteran who was named CEO of González Byass USA last fall, says the key priorities now

include growing the Beronia brand from Rioja and continuing to develop Veramonte and the Tio Pepe Sherry range. While Beronia remains small, Bertino says it's growing and will reach about 10,000 cases this year. "We're encouraged, because Rioja volume was up 6% last year in the U.S.," Bertino says. While the brand is primarily known for Rioja, Beronia expanded in the Rueda region earlier this year, opening a new winery close to its two local vineyard estates, Finca La Perdiz and Finca El Torrejón.

