



Boutique Cristina

Boutique Cristina is a renowned Brazilian winery, recognized for producing award-winning wines that boast internationally recognized quality seals. Our mission goes beyond simply offering bottles of wine; we seek to provide unique and memorable experiences to our customers, uniting quality, tradition, and innovation in every glass.

To expand our horizons and maximize export potential, Boutique Cristina initiated an in-depth market study. The objective is to identify which countries present the highest profitability and representative potential for the export of our wines.

With this data in hand, we will be able to direct our efforts more effectively and strategically, ensuring that Boutique Cristina reaches new heights and solidifies its presence in the international scenario.

Global Scenario

The global wine export scenario has been impacted by several factors in recent years, including the COVID-19 pandemic, climate change, and economic pressures. We can highlight some main points:

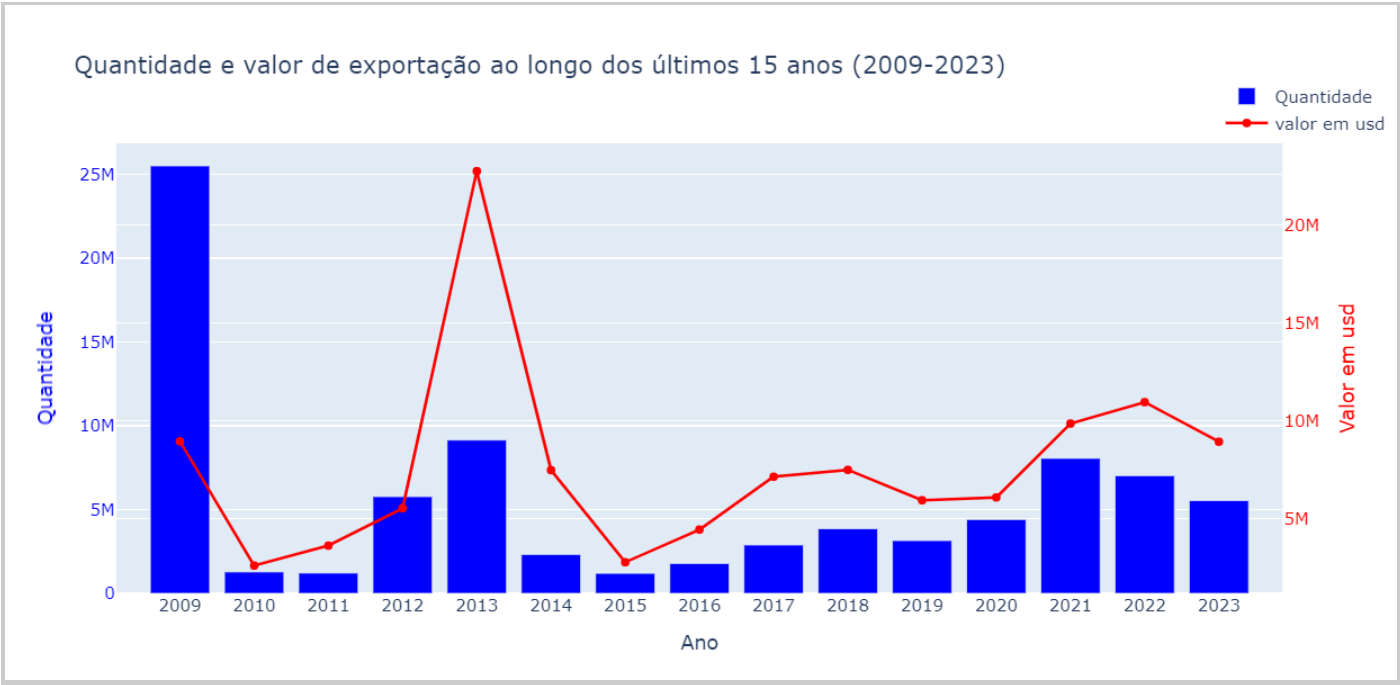
1. Impact of the Pandemic

With isolation, there was a major change in consumer habits, and per capita wine consumption increased in both the domestic market and exports. The dollar exchange rate helped increase sales of national wine, as seen in the 2020 report below:

"[...] the attractive price makes the Brazilian product open more spaces in the United States, China, Colombia, the United Kingdom, and even Japan. Sales to the North American market alone increased from US 608.8K to USD 1 million." (Summit Agro, 2022)

The chart below shows the growth of exports in parallel with the beginning of the pandemic, the continuous increase in subsequent years, and the variation of the exchange rate over the last 15 years.

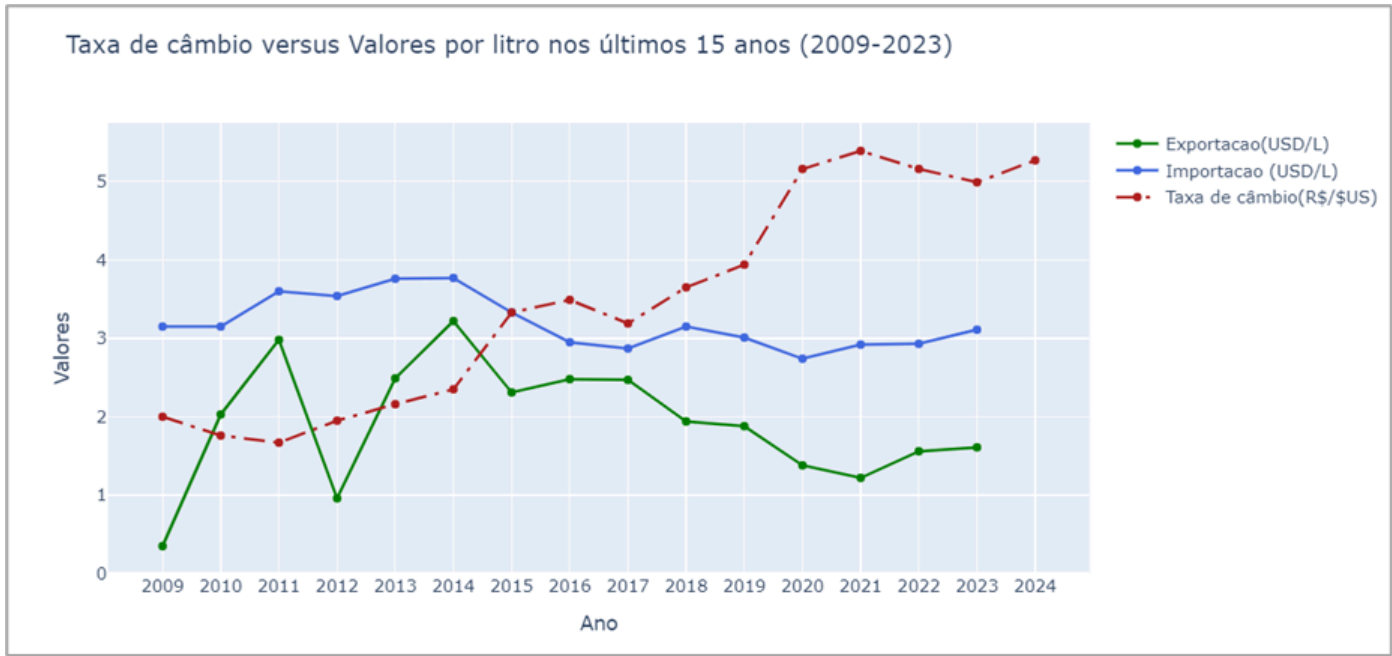
Quantity and export value over the last 15 years (2009-2023)



[Graph: Quantity and value in USD of wine exports from 2009-2023. Shows Quantity (blue bars) and Value in USD (red line), generally increasing after 2011, with a peak in value around 2013-2014, and a resurgence from 2020-2023.]

Exchange rate versus Values per liter over the last 15 years (2009-2023)

[Graph: Export (USD/L), Import (USD/L), and Exchange rate (US) from 2009-2024. Shows Export and Import values fluctuating, with the exchange rate generally increasing over the period.]



However, the market experienced a decline due to the War in Ukraine and the energy crisis in Europe, which affected global wine exports. The report from the V ao Cubo website adds that:

"[...] the year 2022 was marked by disruptions in the global supply chain that led to a significant slowdown in maritime freight. This combination of events resulted in a lower global volume of wine exported at a much higher price with an average price." (2022)

Despite the decline in the last two years, Brazil has been growing in its production and consolidating as one of the rising markets in the world ranking according to AEB (Brazilian Foreign Trade Association). In "[...] a recent study by the International Organization of Vine and Wine (OIV), Brazil stands out as a leader in Latin America in expanding vineyard area, with an increase of 1.5% in 2023, reaching 83 thousand hectares". (2024)

2. Climate Change

While Brazil expands its planting areas and increases its production, climate change is affecting wine production worldwide.

"Extreme climatic conditions and widespread fungal diseases severely affected many vineyards worldwide, culminating in a historically low global wine production of 237 million hectoliters, which marked a 10% drop compared to 2022 and represented the lowest production since 1961." (BRASIL DE VINHOS, 2024)

3. Increase in Costs

With the climate negatively affecting vineyards worldwide, the result was an increase in the average global wine price, which consequently compensated for the drop in production volume. In 2023, the "[...] average price per liter of export wine reached a record high of 3.62 euros per liter." (BRASIL DE VINHOS, 2024).

Strategically, this can create an opportunity for Brazil in the coming years, which, in the same period, is increasing its wine production and can meet demand in a more valued market.

4. New Markets

Expansion into emerging markets, such as Asia and Latin America, is becoming a priority for many exporters. These markets present significant growth opportunities but also require an understanding of local preferences and import regulations.

5. Sustainability

There is a growing demand for sustainable practices in wine production, and many consumers are willing to pay more for environmentally responsible products. This has encouraged wineries to adopt organic and biodynamic viticulture practices.

"[...] sustainability in the world of wine is more than a trend; it is a shared responsibility among producers, consumers, and enthusiasts. By choosing wines produced with environmental and social care, every sip becomes a celebration not only of the wine itself but also of the commitment to a greener and healthier future." (VIDIGAL, 2023)

To obtain sustainability seals such as "Wines of Sustainability" and "Organic Wine," wineries have taken actions such as sustainable energy in cellars, eco-friendly packaging, and water conservation methods.

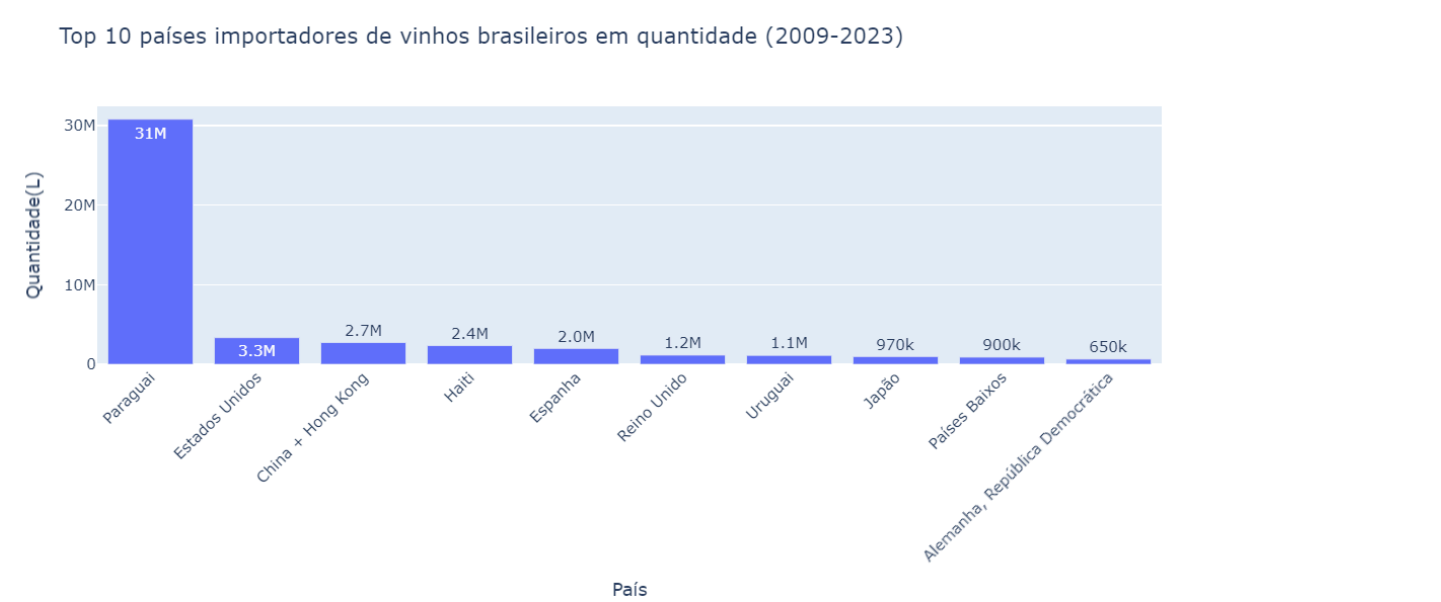
The report *State of The World Vine and Wine Sector in 2023*, published by the International Organization of Vine and Wine (OIV) in 2023, concluded that the global wine and vine sector faced difficult challenges, with historically low production volumes and high prices. The year was marked by the persistent effects of global inflationary pressures that began in 2022.

Analyzing the data:

According to the export data obtained from Embrapa regarding its partner winery Vitivinicultura, we initiated our analyses to present to shareholders and investors the reason for investing in Boutique Cristina.

First, we analyzed the top 10 importing countries of Brazilian wines in terms of quantity (liters) and value (USD), respectively:

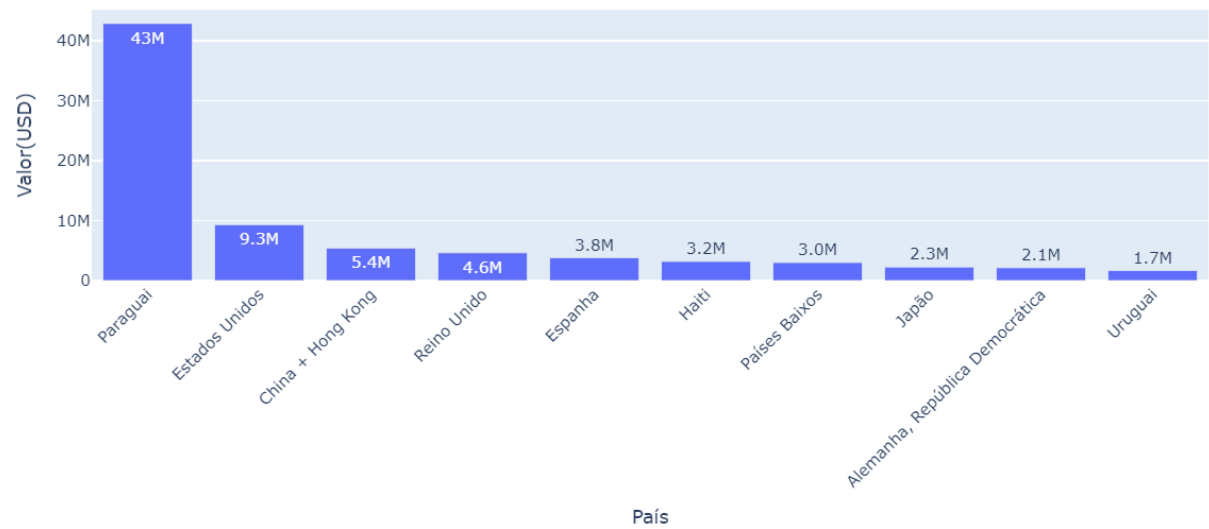
Top 10 importing countries of Brazilian wines by quantity (2009-2023)



[Bar chart showing Quantity (L) for the top 10 countries. Paraguay is highest at 31M, followed by United States at 3.3M, China + Hong Kong at 2.7M, Haiti at 2.4M, Spain at 2.0M, United Kingdom at 1.2M, Uruguay at 1.1M, Japan at 970k, Netherlands at 900k, Germany, Democratic Republic at 650k.]

Top 10 importing countries of Brazilian wines by USD (2009-2023)

Top 10 países importadores de vinhos brasileiros em USD (2009-2023)



[Bar chart showing Value (USD) for the top 10 countries. Paraguay is highest at 43M, followed by United States at 9.3M, China + Hong Kong at 5.4M, United Kingdom at 4.6M, Spain at 3.8M, Haiti at 3.2M, Netherlands at 3.0M, Japan at 2.3M, Germany, Democratic Republic at 2.1M, Uruguay at 1.7M.]

From a macro perspective, the graphs above show a high demand from Paraguay, a country relatively close to Brazil (1231 km) and part of Mercosur, making negotiations and export costs more viable, in addition to existing export incentives between them.

Exports Over the Last 15 Years

To deepen our research, we sought a sample of the 30 largest importers of Brazilian wines over the last 15 years, as shown in the table below.¹

Exports - Last 15 years (2009 to 2023) ↓
30 most relevant countries

ID	Origin	Destination	Liters	Value in USD
1	Brasil	Paraguay	30,803,247.00	42,862,206.00
2	Brasil	United States	3,349,299.00	9,309,051.00
3	Brasil	China	2,737,643.00	5,415,154.00
4	Brasil	United Kingdom	1,150,780.00	4,640,935.00
5	Brasil	Spain	1,990,238.00	3,805,889.00
6	Brasil	Haiti	2,351,228.00	3,198,849.00

7	Brasil	Holland	897,986.00	3,012,934.00
8	Brasil	Japan	972,341.00	2,257,163.00
9	Brasil	Germany	648,115.00	2,148,277.00
10	Brasil	Uruguay	1,118,688.00	1,674,149.00
11	Brasil	Belgium	399,239.00	1,382,940.00
12	Brasil	Canada	186,081.00	1,059,120.00
13	Brasil	Switzerland	101,010.00	718,710.00
14	Brasil	France	308,740.00	707,581.00
15	Brasil	Portugal	384,238.00	578,788.00
16	Brasil	Poland	134,483.00	553,317.00
17	Brasil	Finland	86,768.00	537,443.00
18	Brasil	Angola	143,147.00	505,106.00
19	Brasil	Australia	58,413.00	383,533.00
20	Brasil	Denmark	79,320.00	374,931.00
21	Brasil	Curaçao	216,254.00	361,490.00
22	Brasil	Luxembourg	53,516.00	334,641.00
23	Brasil	Bolivia	222,368.00	323,078.00
24	Brasil	Venezuela	196,545.00	309,340.00
25	Brasil	Cuba	271,044.00	304,612.00
26	Brasil	czech Republic	49,799.00	295,034.00
27	Brasil	Taiwan	70,284.00	278,369.00

28	Brasil	Norway	35,216.00	266,695.00
29	Brasil	Nigeria	164,881.00	264,004.00
30	Brasil	Sweden	71,551.00	263,833.00
Brasil Total			49,252,462.00	88,127,172.00

Base de dados de Exportações dos últimos 15 anos (2009-2023). Fonte: Embrapa.

¹ It is important to note that as part of the data base treatment, we made two modifications: first, we summed the data for China and Hong Kong, as Hong Kong is a special administrative region of China. Second, we excluded Russia from our analysis, as in 2009 it was identified as an outlier, i.e., a data point that deviates significantly from the distribution pattern, compromising the reliability of our analysis.

With the above information, we can calculate the price per liter exported to each country (total export value (USD) / total quantity of liters), allowing us to analyze which country has the highest profitability per liter. And, considering that a standard wine bottle usually contains 750 ml, or 0.75 liters, we can also estimate the quantity of bottles produced for each country (total quantity of liters / 0.75 liters) and thus the average price per bottle (total export value (USD) / quantity of bottles).

Exports - Quantity of Bottles and Average Price

ID	Origin	Destination	Price per Liter USD	Quantity of Bottles	Average Price
1	Brasil	Paraguay	7.57	41,070,996.00	1.04
2	Brasil	United States	7.12	4,465,732.00	2.08
3	Brasil	China	6.57	3,650,190.67	1.48
4	Brasil	United Kingdom	6.25	1,534,373.33	3.02
5	Brasil	Spain	6.19	2,653,650.67	1.43
6	Brasil	Haiti	5.92	3,134,970.67	1.02
7	Brasil	Holland	5.69	1,197,314.67	2.52
8	Brasil	Japan	4.73	1,296,454.67	1.74

9	Brasil	Germany	4.11	864,153.33	2.49
10	Brasil	Uruguay	4.03	1,491,584.00	1.12
11	Brasil	Belgium	3.96	532,318.67	2.60
12	Brasil	Canada	3.69	248,108.00	4.27
13	Brasil	Switzerland	3.53	134,680.00	5.34
14	Brasil	France	3.46	411,653.33	1.72
15	Brasil	Portugal	3.36	512,317.33	1.13
16	Brasil	Poland	3.31	179,310.67	3.09
17	Brasil	Finland	2.78	115,690.67	4.65
18	Brasil	Angola	2.32	190,862.67	2.65
19	Brasil	Australia	2.29	77,884.00	4.92
20	Brasil	Denmark	1.98	105,760.00	3.55
21	Brasil	Curaçao	1.91	288,338.67	1.25
22	Brasil	Luxembourg	1.67	71,354.67	4.69
23	Brasil	Bolivia	1.60	296,490.67	1.09
24	Brasil	Venezuela	1.57	262,060.00	1.18
25	Brasil	Cuba	1.51	361,392.00	0.84
26	Brasil	Czech Republic	1.50	66,398.67	4.44
27	Brasil	Taiwan	1.45	93,712.00	2.97
28	Brasil	Norway	1.39	46,954.67	5.68
29	Brasil	Nigeria	1.36	219,841.33	1.20

30	Brasil	Sweden	1.12	95,401.33	2.77
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Last 15 years exportation database (2009-2023). Source: Embrapa.

With the above data, our winery observed market expansion opportunities in two strategic fronts:

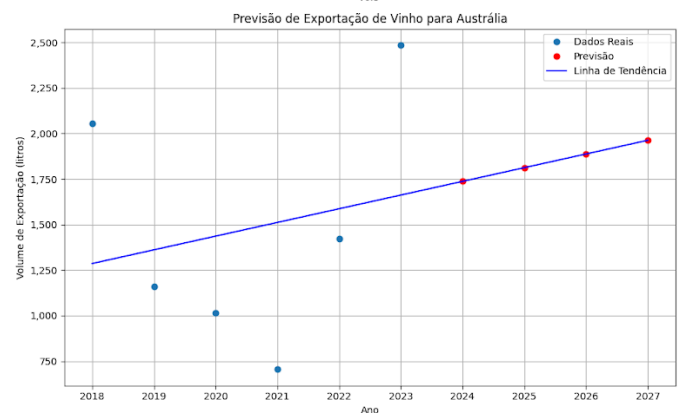
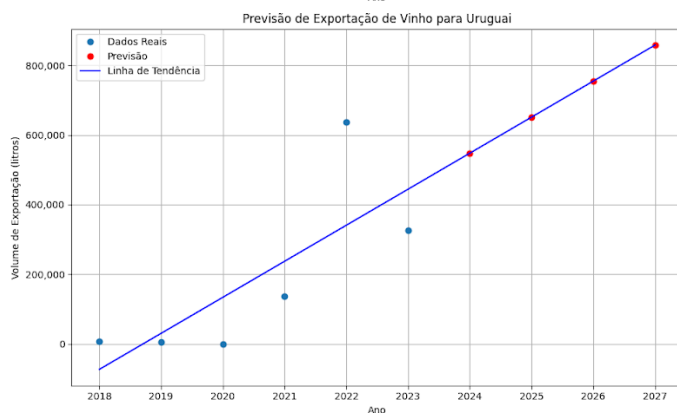
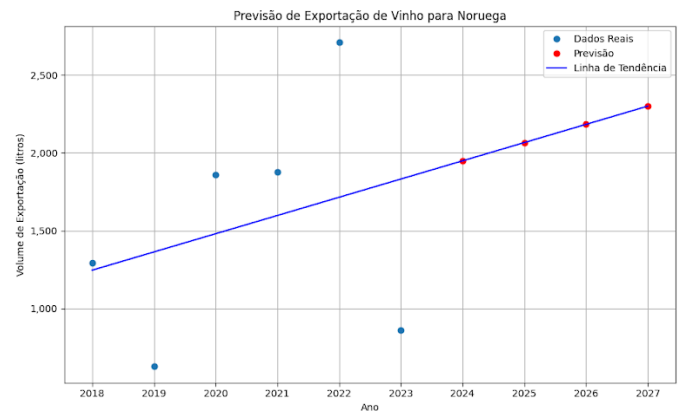
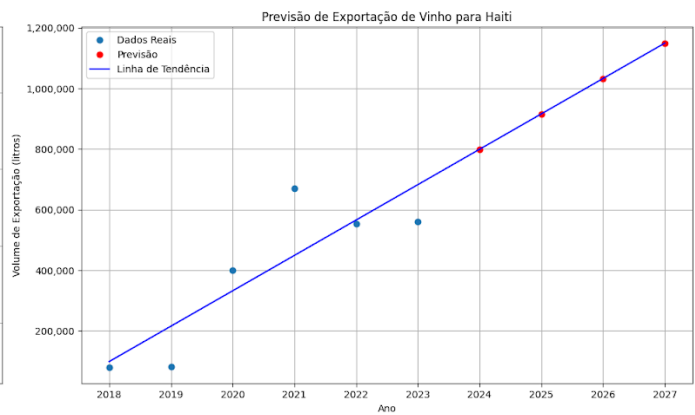
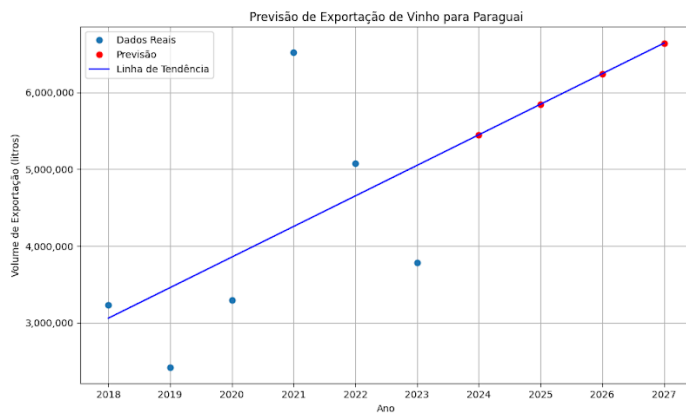
1. Countries with the largest market share in Latin America: Paraguay, Haiti, and Uruguay;
2. Countries with the highest average price per liter: Switzerland, Norway, and Australia.

To corroborate the opportunities mentioned above, we conducted a Forecast considering existing data from the last 05 years for each country, thus providing future predictions:

Forecast representing the last 5 years (2018-2023)

Applying a simple linear regression model, we arrived at the following predictions for the 06 analyzed countries. It is important to note that the forecast does not take into account external factors such as economic, political, or climatic changes that may affect exports.

Wine Export Forecast for Paraguay, Switzerland, Uruguay, Haiti, Norway, Australia



[Graph showing actual data points, forecast line, and trend line for wine export volume from 2018-2027, with a clear upward trend.]

The forecasts demonstrate the viability of the two strategies proposed by the Boutique Cristina winery, aiming not only to continue investing in South America and North America but also to initiate a closer relationship with countries in Europe and Oceania.

Investment Opportunity in Boutique Cristina Winery

The Brazilian winery Boutique Cristina is strategically positioned to meet the demands of both national and international markets. Amidst the scenario of climate change, which is affecting production in various countries, Brazil stands out as an advantageous production region, capable of supplying growing demand and conquering markets seeking new wine suppliers.

By analyzing the market share percentages of the six countries included in our analysis, we perceive that investing in Paraguay, Haiti, and Uruguay is undeniably strategic. Regarding Switzerland, Norway, and Australia, we identify the need to intensify efforts to increase exports, as the price per liter is significantly more

advantageous in these markets. Furthermore, the production effort to serve these countries would be considerably smaller compared to others.

Marketing Share

Country	Volume - Importation Country	Volume - Exportation BR	MKT Share	USD - Total	USD - BR	MKT Share	Importatio n Market	Brazil Price/Lite r	Value per Capit a
MERCOSUR & AMERICA CENTRAL	PARAGUAY	9,000,000	5,076,670	56.41 %	37,521,000	7,156,293	19.07%	4.17	1.41
	HAITI	2,872,000	553,503	19.27 %	11,835,000	741,014	6.26%	4.12	1.34
	URUGUAY	4,000,000	637,117	15.93 %	13,714,000	997,367	7.27%	3.43	1.57
GROWING MARKETS & CONSUMPTIO N	SWITZERLAND	171,000,000	1,584	0.00%	1,228,000,000	20,863	0.00%	7.18	13.17
	NORWAY	97,300,000	2,711	0.00%	445,000,000	40,316	0.01%	4.57	14.87
	AUSTRALIA	102,000,000	1,424	0.00%	600,000,000	12,299	0.00%	5.88	8.64

Final Considerations

Market Share in Mercosur

Our winery already has a significant presence in two strategic Mercosur countries:

- **Paraguay:** We hold a market share of 56.41% and a considerable export volume.
- **Uruguay:** With a market share of 15.93%, we consolidate our position as a relevant supplier.

Expansion Strategy: We plan to leverage our customer base in Mercosur to expand even further. This consolidated consumer market demonstrates strong acceptance and customer confidence in our product.

Economic Stability: Even with economic variations, these markets prove loyal, offering a stable base for expansion.

Export Incentives: Exemption from the Common External Tariff (TEC) in Mercosur, Integrated Drawback, Export with Simplified Registration (Exporta Fácil), Export Financing and Insurance Programs (BNDES and Proex), Agreements for Bureaucracy Reduction in Mercosur, etc.

New Markets - High Value-Added Countries

Target Countries: We are prepared to enter high-value markets such as Switzerland, Norway, and Australia.

Revenue Potential: The value in USD per liter in these countries is up to 10 times higher than in the American continent, which represents an enormous opportunity for increased revenue.

Young and Growing Market: These countries have a young population that drives wine consumption, opening doors for us to introduce our products.

Competitiveness Study: We know that these markets value quality wines and are willing to pay a premium, which allows us to maximize our profit margins.

Conclusion - Why Invest in Our Winery

Competitive Advantage in the Current Climate Scenario: Brazil's ability to maintain wine production positions us as a solution to meet global demand.

Consolidated Market and Expansion Potential: Our strong presence in Mercosur is a springboard for larger and more lucrative markets.

New High-Value Markets: Our expansion plan for Switzerland, Norway, and Australia aims to diversify and significantly increase profit margins, leveraging markets where wine consumption is high.

Invitation to Invest

Growth and Diversification Opportunity: This is a chance to invest in a winery that is strategically positioned for growth in high-potential markets.

Impact and Sustainability: In addition to financial returns, we are contributing to the development of a sustainable and climate-resilient production chain.

Join Us: We invite you to be part of this project and seize global expansion opportunities.

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