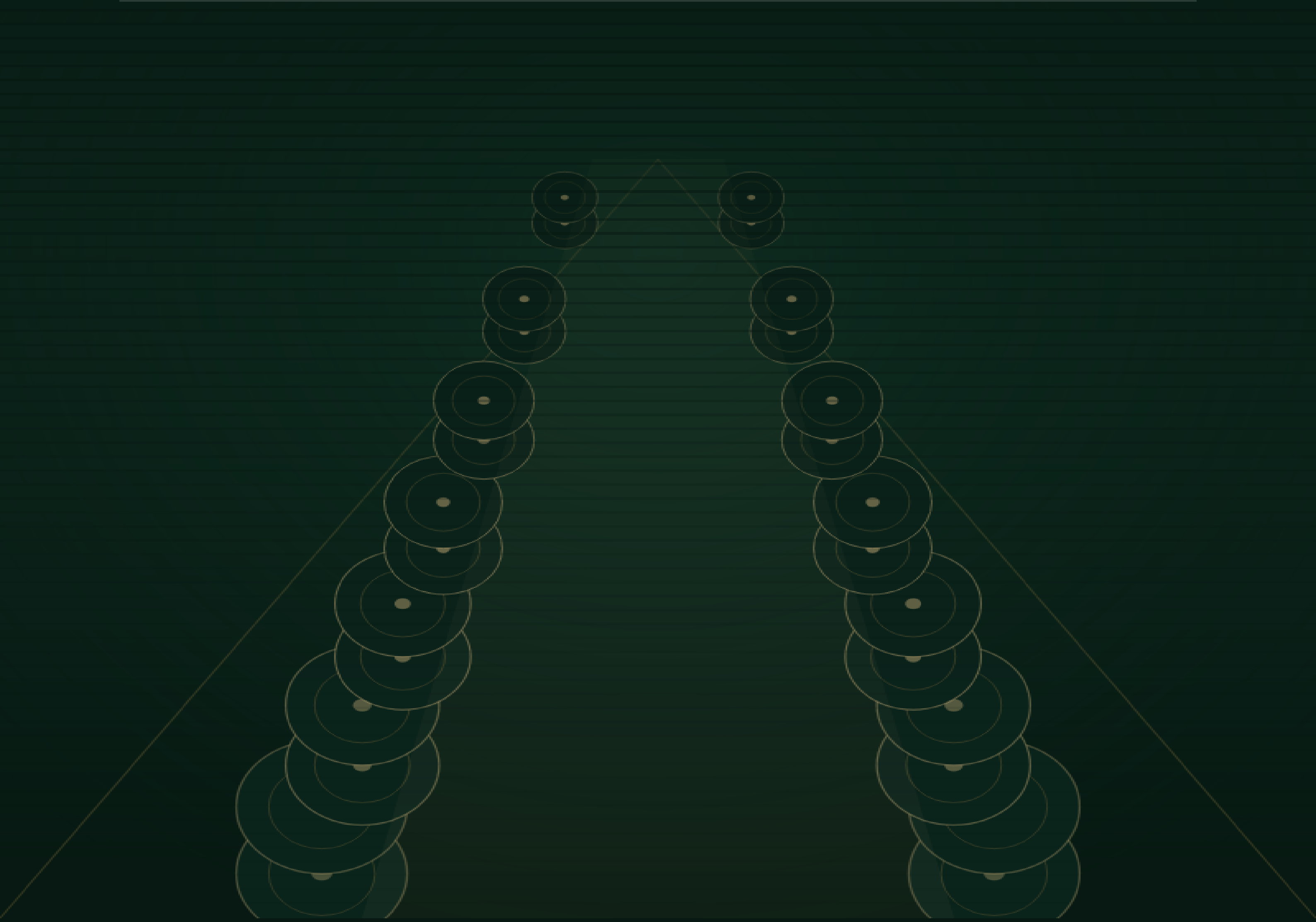
CELTICA

INTERNATIONAL IRISH WHISKEY SPECIALISTS



MARKET INTELLIGENCE REPORT

Irish Whiskey Market Report

Q2 2026

MARKET INTELLIGENCE | ASSET VALUES | INDUSTRY TRENDS | INTERNATIONAL TRADE

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Contents

This report is issued quarterly by Celtica as a market-intelligence resource for insolvency practitioners, receivers, banks, investors, distilleries, cask owners and international buyers. It is factual and observational; opinions are identified as such.

SECTION 01

Executive Summary

After a decade of exceptional expansion, the Irish whiskey sector entered a period of correction in 2024–25. Export values reached a record of approximately €1 billion in 2024 before easing 5% to around €930 million in 2025, as the critical US market slowed under tariff and currency pressure (Bord Bia, 2026).

The correction has two faces. On the supply side, a rapid build-out of distilling capacity — from four operational distilleries in 2010 to roughly 50 by 2024 — combined with pandemic-era over-ordering has left the market carrying substantial maturing stock. On the demand side, US depletion slowed, interest rates raised the cost of holding inventory, and consumer spending tightened (Irish Times; Bloomberg Intelligence, 2025).

For asset holders, lenders and insolvency practitioners, this environment creates both risk and opportunity. Distressed and surplus stock is reaching the market, mature cask portfolios are changing hands, and well-structured inventory retains real underlying value — particularly where it can be routed to growing international markets outside the US.

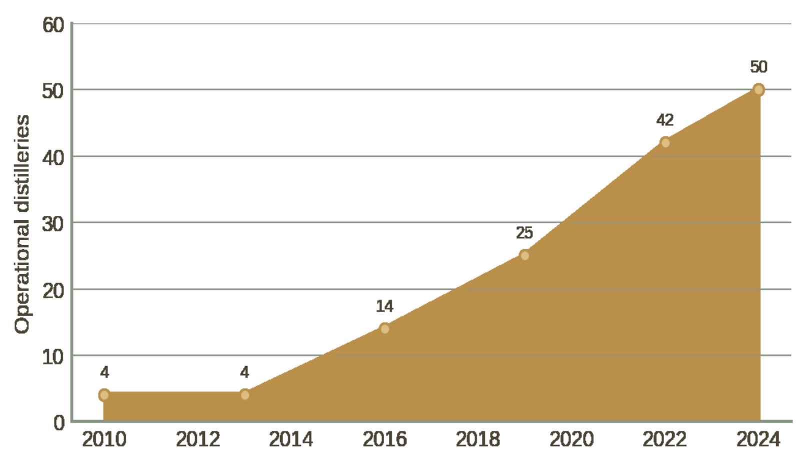
KEY TAKEAWAYS

- Exports eased 5% to c.€930m in 2025 after a record €1bn in 2024 (Bord Bia).
- The US — c.40–46% of exports — drove the decline amid 15% tariffs and a weaker dollar.
- Roughly 90% of distilleries paused or cut production during the correction (IWA).
- Emerging markets grew strongly: India +75%, Nigeria +40%, South Africa +30%, Canada +25%.
- Oversupply is releasing mature, high-quality stock — a buyer's market for well-advised acquirers.

SECTION 02

The Irish Whiskey Industry

Irish whiskey has been one of Ireland's outstanding export stories of the past fifteen years. The number of operational distilleries on the island rose roughly tenfold — from four in 2010 to around 50 by 2024 — and the category became one of the fastest-growing spirits segments in the world, delivering 9% value growth within the global premium-plus category over the past five years (Bord Bia; Irish Whiskey Association).



~50
OPERATIONAL DISTILLERIES, 2024

€930m
EXPORT VALUE, 2025

9%
5-YR VALUE GROWTH, PREMIUM+

40–46%
SHARE OF EXPORTS TO THE US

SOURCE: Drinks Ireland / Irish Whiskey Association; Bord Bia Export Performance & Prospects Report 2025/26; industry press (2025–26).

Current challenges

- Heavy reliance on the US market, now subject to a 15% EU spirits tariff (from August 2025) and a weaker US dollar.
- Oversupply of maturing stock following pandemic-era over-ordering and rapid capacity growth.
- Rising input and holding costs — American oak barrels rose from c.€100 (2022) to c.€285 (late 2024).
- Softening consumer demand and a generational shift toward moderation.

SECTION 03

Market Conditions

Market observation: conditions through 2025 and into 2026 are best described as a correction rather than a collapse. The Irish Whiskey Association has characterised the period as a “pause”, while some industry figures describe a cyclical correction after an extraordinary boom (Irish Times, 2025).

- ### Supply levels
  Elevated. Rapid capacity growth and pandemic-era over-ordering have left substantial maturing stock in bond. The IWA reports roughly 90% of distilleries paused or cut production during the correction.
- ### Bulk & cask availability
  Increased. As distilleries manage cash and inventory, more new-make and maturing stock is available on the secondary and bulk markets, often at softer prices.
- ### Independent bottlers
  Selectively active. Softer bulk prices improve buying conditions for bottlers and brand owners with a route to market, though end-consumer demand remains the constraint.
- ### Distillery purchasing
  Subdued. Many producers are conserving cash and reducing intake; some larger producers paused distillation entirely for periods in 2025.
- ### International buyers
  Opportunistic. Buyers with access to growing non-US markets are positioned to acquire quality stock at attractive levels.
- ### Private investors
  Cautious. Sentiment has cooled and scrutiny of the unregulated cask-investment market has increased (see Pricing Trends and Risks).

SOURCE: Irish Whiskey Association; Irish Times (2025); The Spirits Business (2025).

SECTION 04

Pricing Trends

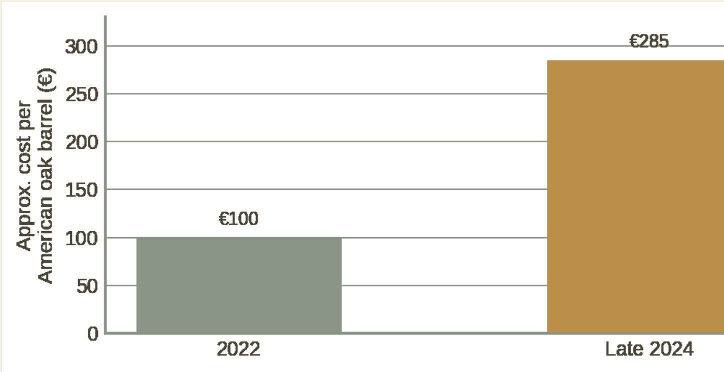
The following is market analysis, not a price list. Celtica does not publish definitive market prices; values are transaction-specific. The commentary below describes the direction of value and the factors that drive it.

By category — indicative direction

- **New Make Spirit**
  Softest segment. Abundant supply and weak near-term demand weigh on values; buyers with storage and patience hold negotiating power.
- **Single Grain**
  Ample availability from larger producers; values pressured, though useful for blending and volume programmes.
- **Single Pot Still**
  A distinctive Irish style with brand appeal; better-supported where provenance and quality are strong.
- **Single Malt**
  Most resilient at the premium end, particularly aged and well-provenanced stock; the market is bifurcating between commodity and premium.

Factors affecting value

- Age & maturity
- ABV / strength
- Provenance & distillery
- Storage & cask condition
- Bond location
- Cask type & quality



SOURCE: Barrel cost: Irish Times (May 2025). Category commentary: Celtica market observation, 2026.

SECTION 05

Distillery Activity

The following developments are drawn from publicly available information and illustrate the sector's adjustment through 2025–26.

- ### Production pauses at scale
  Pernod Ricard's Irish Distillers paused production at Midleton for a period in 2025 (since resumed) and pushed its new distillery opening to 2027. Great Northern Distillery curtailed output; some Tullamore stills went quiet.
- ### Diageo — Roe & Co
  Diageo placed an "extended pause" on distillation at its Roe & Co distillery in Dublin.
- ### Receiverships & restructuring
  Waterford Distillery entered receivership (late 2024); Powerscourt (Fercullen) was placed with a receiver with stock reported for sale; Killarney Brewing & Distilling entered liquidation; Blackwater Distillery restructured its debt via the SCARP process and continues to trade.
- ### Consolidation pressure
  Analysts note limited buyers for sub-scale brands and inventory, pointing to fewer manufacturers and brands in the near term — and to acquisition opportunities for well-capitalised buyers.
- ### New capacity still maturing
  Distilleries founded in the 2010s continue to bring aged stock to market, adding supply precisely as demand has softened.

SOURCE: Irish Times; The Spirits Business; Bloomberg; Detroit News; company statements (2025–26).

SECTION 06

Insolvency & Distressed Assets

The current cycle has moved whiskey assets — casks, maturing stock, bottled inventory and brands — into insolvency and restructuring processes. These assets require specialist handling if value is to be preserved and realised.

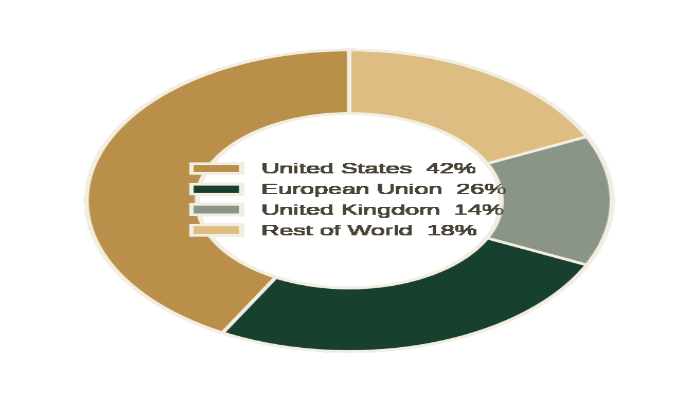
- ### Why specialist handling matters
  Whiskey is a “futures” asset: value depends on age, cask, provenance, bond status and route to market. Generalist disposal risks selling quality stock at commodity prices.
- ### Confidentiality
  Distressed sales are sensitive. Discreet handling protects the value of the asset, the position of secured creditors and the reputation of the parties involved.
- ### Valuation methodology
  Robust valuation considers volume, spirit type, age/ABV, cask type and condition, bond location, and realistic routes to market — not headline ‘investment’ figures.
- ### Routes to market
  Options include trade sale to distilleries and bottlers, bulk sale, private-label conversion, and placement with international buyers — each with different value and timing.
- ### Maximising returns
  The best outcome usually comes from matching the right parcel of stock to the right buyer at the right time, rather than a single forced disposal.

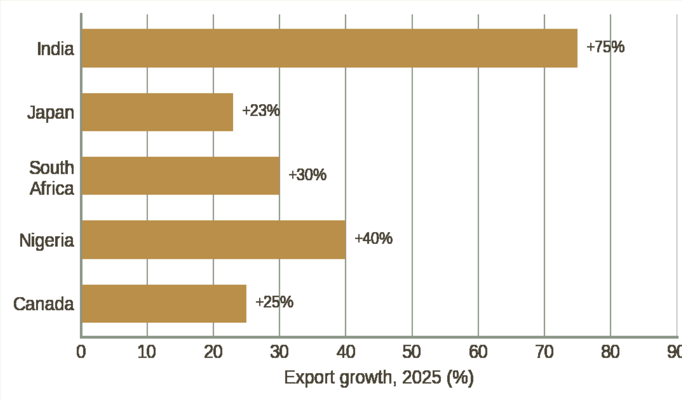
Celtica acts for insolvency practitioners, receivers and lenders as an independent adviser on the valuation and commercial realisation of Irish whiskey assets.

SECTION 07

International Markets

While the US remains the largest single market — and the source of 2025's decline — the export picture is diversifying. Emerging markets grew strongly in 2025, and the sector's medium-term prospects rest heavily on this diversification (Bord Bia; IWA).





SOURCE: Bord Bia Export Performance & Prospects 2025/26; Irish Whiskey Association; IWSR; Wine-Searcher (2025–26). Destination shares indicative.

United States

Largest market (c.40–46% of exports) but in decline; 15% tariff and weak dollar the key drags. Sell-out rates reported improving into 2026.

Canada

A bright spot, with growth around 25% in 2025.

Europe

Broadly stable; Germany recovered late in the year, France held, and several EU markets grew.

Asia

Growing from a low base — India up sharply (+75%), Japan strong; China and Singapore active.

Africa & RoW

Fastest movement — Africa up c.60% to €100m; Nigeria and South Africa notable.

Travel Retail / Duty Free

A structural opportunity; global beverage-alcohol travel-retail sales projected to rise materially over the coming decade (IWSR).

SECTION 08

Risks

The following risks are material to holders and acquirers of Irish whiskey assets over the next 12 months.

- ### Oversupply
  Elevated maturing stock may continue to weigh on bulk and new-make values until demand and supply rebalance.
- ### Financing & holding costs
  Interest rates and the multi-year cost of holding maturing stock have already forced restructurings; refinancing risk remains.
- ### Consumer demand
  Softer spending and a generational shift toward moderation — reinforced by US dietary-guideline messaging — could dampen volume recovery.
- ### Inventory carrying costs
  Storage, insurance and duty-suspension costs accrue over years and erode returns on poorly matched stock.
- ### Regulatory change
  Tariffs (15% EU spirits tariff into the US), potential health-labelling rules (deferred in Ireland to 2028), and cask-investment advertising scrutiny (ASA/FCA) all bear watching.
- ### Export & currency risk
  US-dollar weakness and trade policy add volatility to the largest market; concentration risk persists despite diversification.

SOURCE: Bord Bia; IWA; Irish Examiner; ASA/Brodies LLP; The Drinks Business (2025–26).

SECTION 09

12-Month Outlook

Bord Bia has described 2026 as a "year of transition". On balance, the evidence points to stabilisation rather than a rapid return to the prior growth rate — with meaningful opportunity for well-advised buyers and asset holders.

OPPORTUNITIES

- US sell-out rates reported improving; inventories normalising into 2026.
- Strong, continuing growth in India, Japan, Africa and Canada.
- Softer prices create a buyer's market for quality mature stock.
- Distressed and surplus assets available for well-structured acquisition.
- Long-term premium-plus trend intact (+9% over five years).

HEADWINDS

- US tariffs and dollar weakness persist as the key drag.
- Oversupply likely to weigh on bulk values near term.
- Financing pressure may force further restructurings.
- Consumer moderation trend is structural, not cyclical.
- Regulatory and trade-policy uncertainty remains.

Celtica's view: the next twelve months favour disciplined, well-advised participants. For holders and lenders, the priority is accurate valuation and matched routes to market; for buyers, it is access to quality stock at rational prices. Market conditions and values can change.

ABOUT

About Celtica

Celtica is an independent Irish whiskey asset advisory and commercial realisation business, trading internationally since 2014 and authorised by Irish Revenue to trade spirits under bond. We act for insolvency practitioners, receivers, banks, investors, distilleries, brand owners and international buyers — providing independent commercial judgement and a route to realised value.

What we do

- Asset valuations
- Commercial realisation
- Cask sales & sourcing
- Surplus inventory disposal
- Bespoke bottling coordination
- International market access

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APPENDIX

Disclaimer & Sources

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Selected sources

- Bord Bia — Export Performance & Prospects Report 2025/26; Alcohol Sector Profile.
- Drinks Ireland / Irish Whiskey Association (IWA) — industry statements and data, 2025–26.
- The Spirits Business — World Spirits Report 2025; export coverage, 2025–26.
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- Irish Examiner — distillery closures and demand coverage, 2026.
- Bloomberg / Detroit News — tariffs and oversupply analysis, 2025.
- ASA / Brodies LLP; FCA; The Whiskey Wash — cask-investment regulation and risk, 2025–26.
- Wine-Searcher; IWSR; Euromonitor — market share and volume data, 2025.

Figures are attributed to their sources in-text. Where Celtica offers interpretation, it is identified as market observation or opinion. This is a recurring quarterly publication: The Celtica Irish Whiskey Market Report.

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