

# Industry Update

## 2026 Beverage Outlook

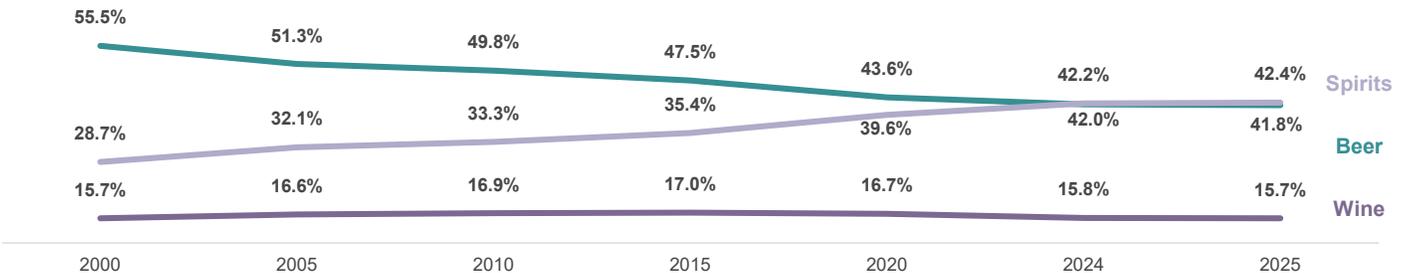
- In 2026, the challenge is not consumption, but fragmentation, as declining beer and wine volumes push suppliers and distributors to rely on premiumization, diversification, and M&A to sustain growth.
- Value pressures persist, with more shoppers trading down in both price and pack size.
- Growth shifts toward emerging segments, including non-alcoholic and functional alternatives.
- Elevated inventories continue to restrain replenishment and slow category recovery.

Key Trends		
<b>-0.9</b>	<b>12.7%</b>	<b>1.64x</b>
Index points Feb Consumer Sentiment vs. 2025 Average	RTD % of total alcohol \$ sales	Inv/Sales Ratio down from 2025 average of 1.67x ratio

## Industry trends

### Total Beverage Alcohol: U.S. Market Share by Alcohol Supplier Revenue

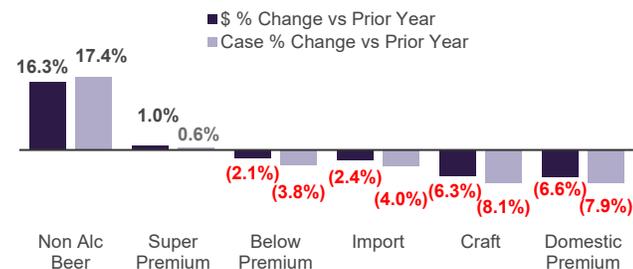
According to DISCUS data, spirits have grown from 28.7% market share in 2000 to over 42% today, surpassing beer for the lead in U.S. alcohol supplier revenue. Beer has steadily declined over the same period, while wine has remained relatively stable. Spirits' share gains have been driven largely by the rapid growth of spirits-based RTDs and continued strength in categories like Tequila/Mezcal, while beer faces declining volumes, rising costs, and shifting consumer preferences.



### Beer

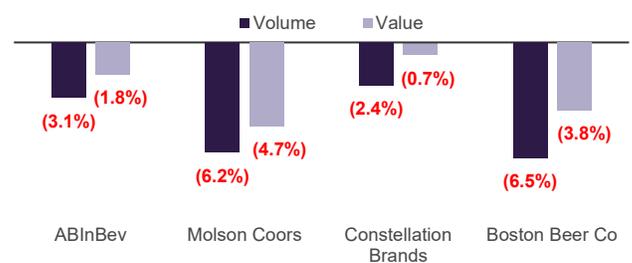
Non-Alcoholic and Super Premium segments are driving beer premiumization as consumers moderate alcohol intake and trade up for quality, while traditional and value beers continue to decline.

### Subsegment Dollar and Volume Change



Major beer suppliers declined in 2025, with the steepest drops at Molson Coors and Boston Beer due to broad category softness and weakening consumer demand.

### 2025 Performance for Major Beer Suppliers



Sources: US Census Bureau, Distilled Spirits Council of the United States, NielsenIQ

# Industry Trends

## Spirits

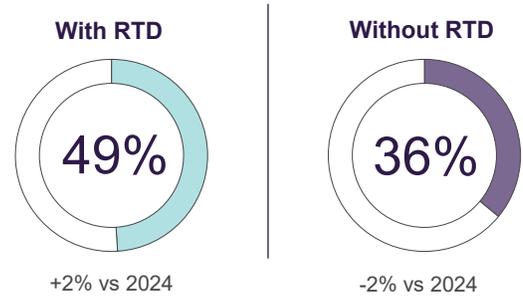
Despite a 2.2% revenue decline driven by softness in the premium and super-premium tiers, overall volume grew 1.9%, suggesting consumers are trading down within the core while premium continues to take share.

Spirits-based RTDs are the main driver of premiumization, adding volume while reinforcing consumer preference for higher-quality offerings.

### Spirits Performance: Revenue vs. Volume (in MM\$)



### Premium+ Share of Spirits - Volume

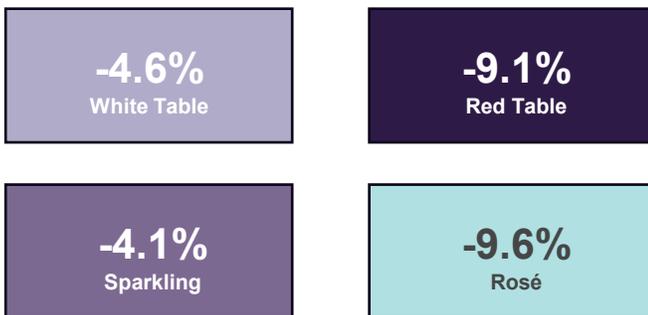


## Wine

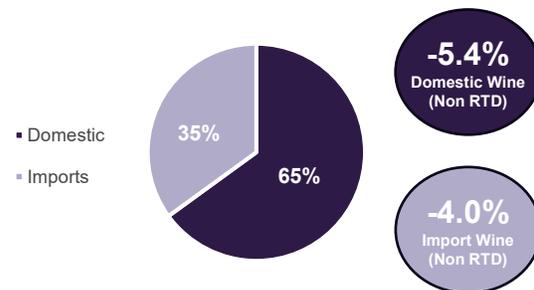
Every major wine type is down, driven by consumers shifting away from traditional wine toward other beverage categories.

Domestic wine remains the larger share of the category, but both domestic and import wines are seeing similar downward pressure.

### Wine YoY Performance by Type in 2025



### Domestic Wine vs. Import Total Wine Dollar Trend



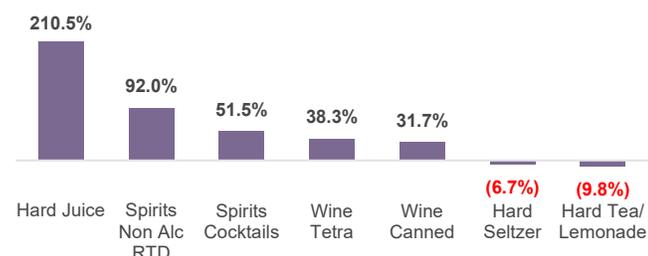
## Ready to Drink

Growth within RTDs is fueled by spirits-forward, flavor-forward and emerging segments, with strong momentum in Hard Juice as a smaller, newer entrant, alongside a widening range of spirits-based formats.

## Non-Alcoholic

Strong 2025 performance and high crossover with alcohol buyers suggest continued growth for both non-alcoholic and alcoholic products in 2026, as consumers seek more flexible drinking choices driven by rising moderation trends and health-conscious behavior.

### \$ Growth by Top Segments



### By the Numbers



Sources: Distilled Spirits Council of the United States, NielsenIQ, BW166