



The state of US Beer

And what are the biggest challenges?

Jim Watson, Senior Beverage Analyst
James.Watson@Rabobank.com
January 2020



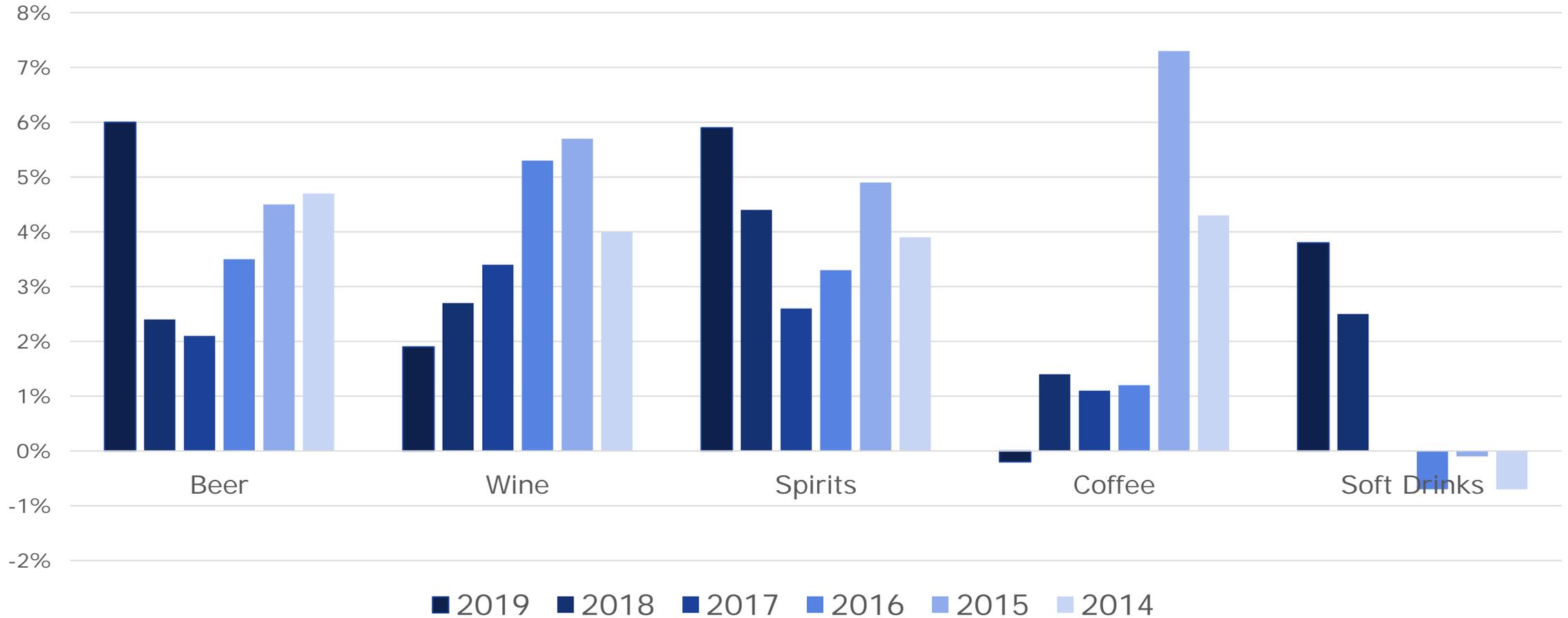
Rabobank

Photo: Cercle

Putting US beer sales in context – it's doing well!

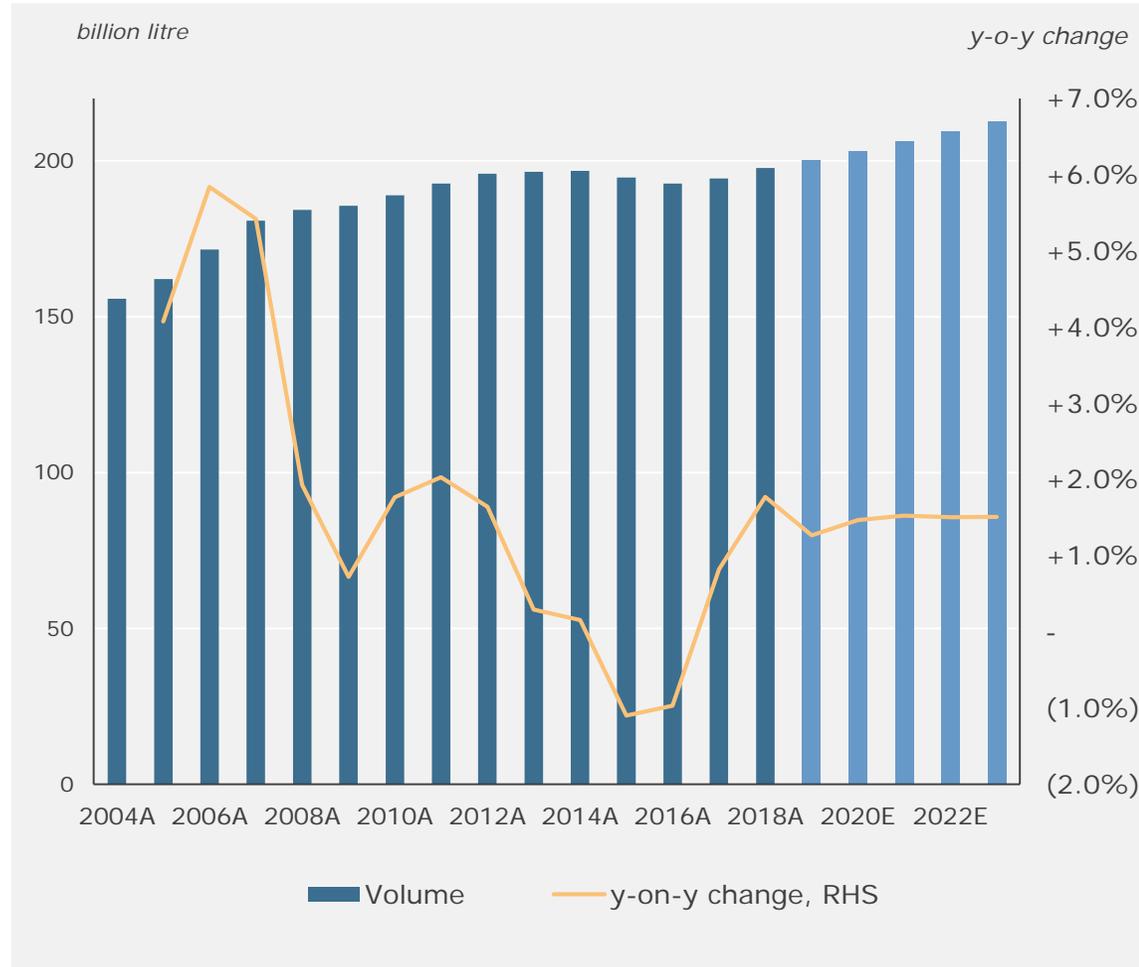


YoY dollar sale growth in measured channels



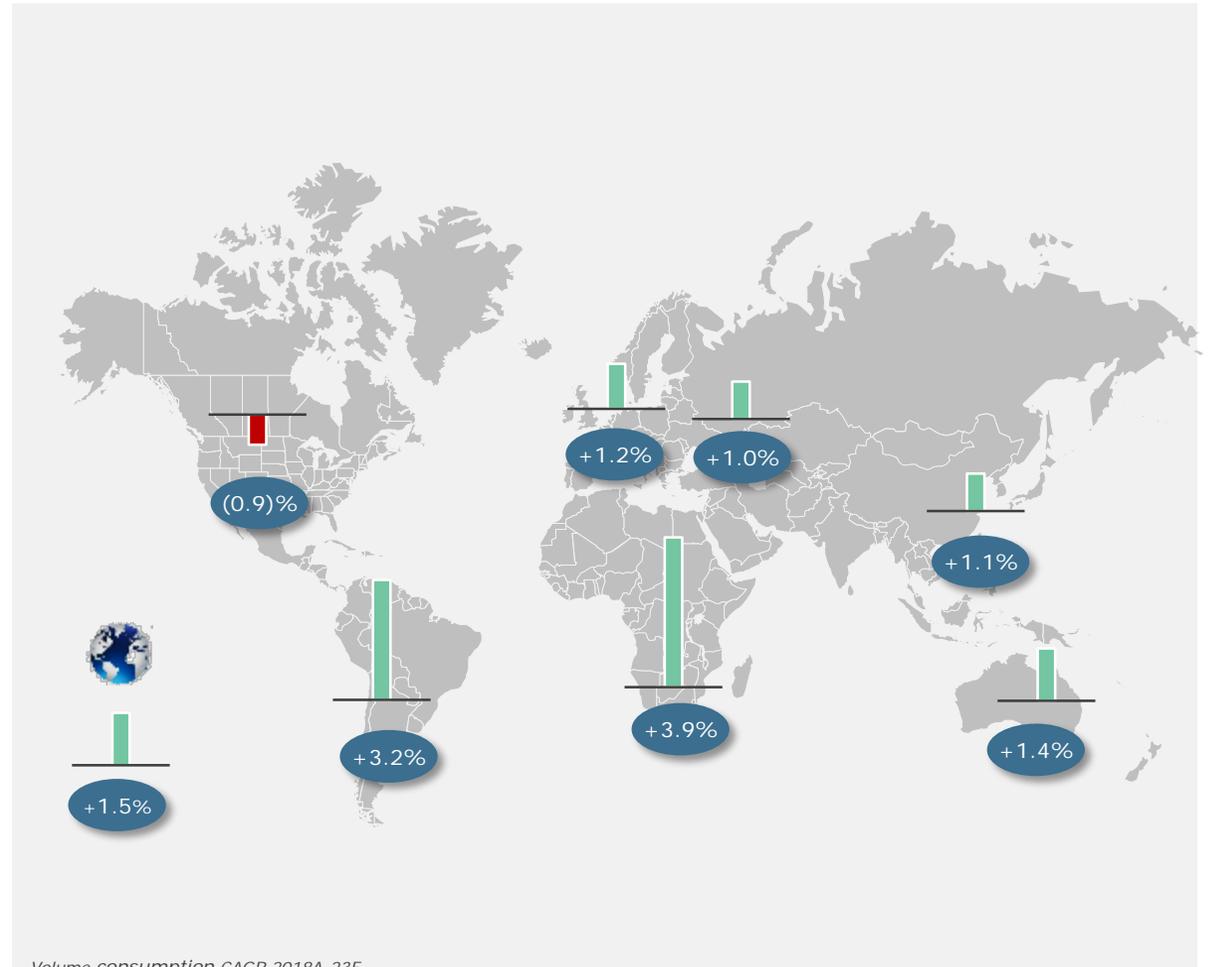
Increase in beer demand globally driven by emerging markets

Worldwide beer consumption is expected to grow further



Source: Euromonitor, Canadean, Rabobank estimates

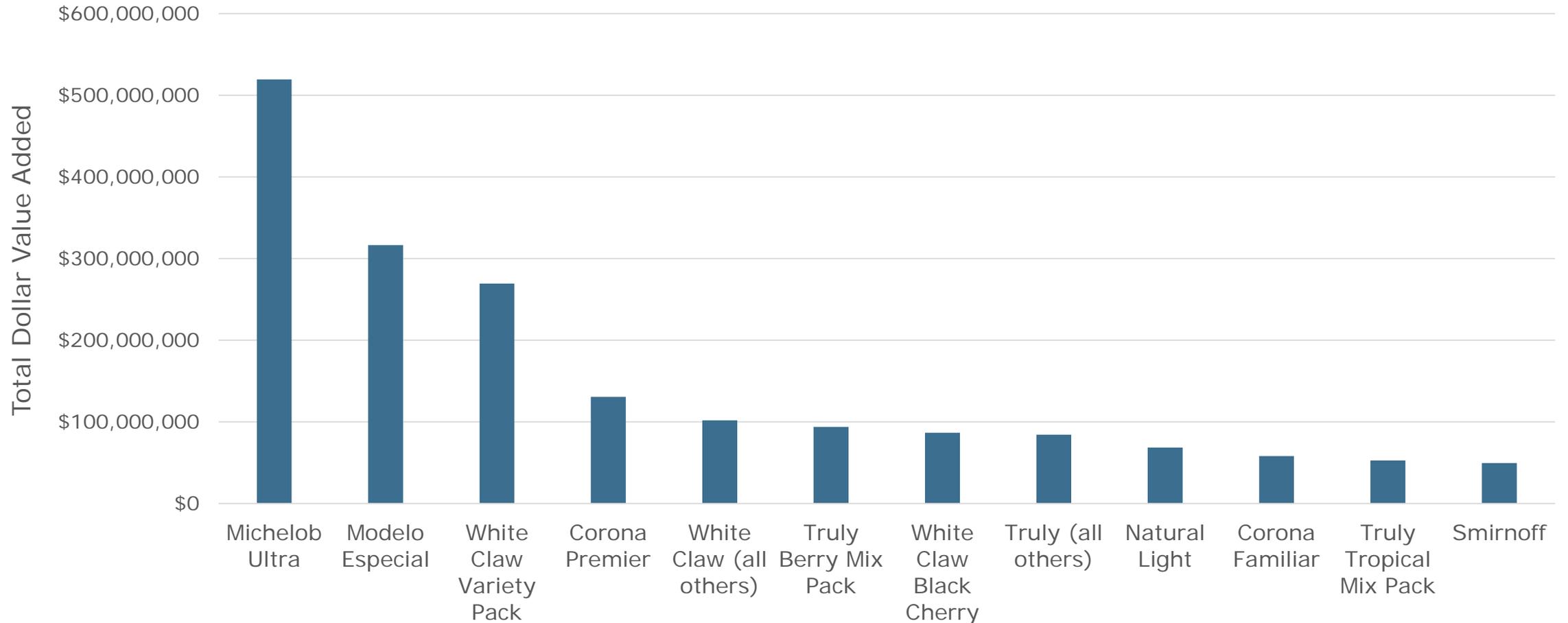
Forecast beer consumption growth by region



Volume consumption CAGR 2018A-23E

Top 12 movers in the beer industry (measured channels)

2016-19 absolute growth in dollar sales

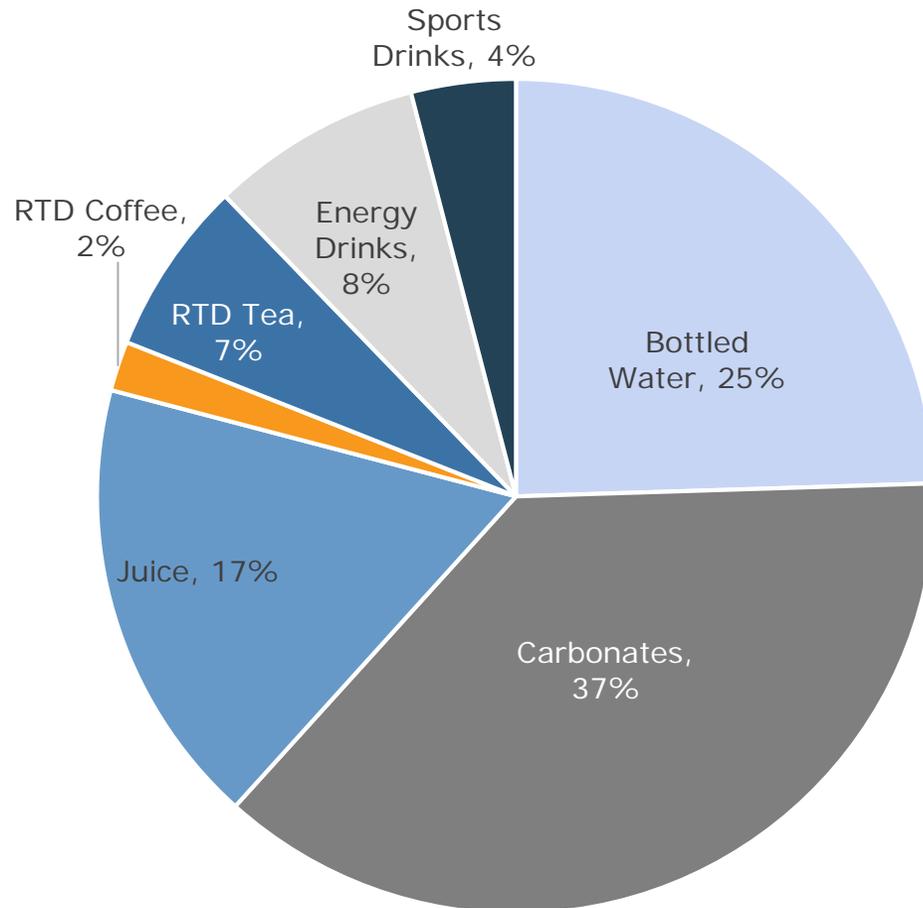


New challengers finding success across beverage categories...

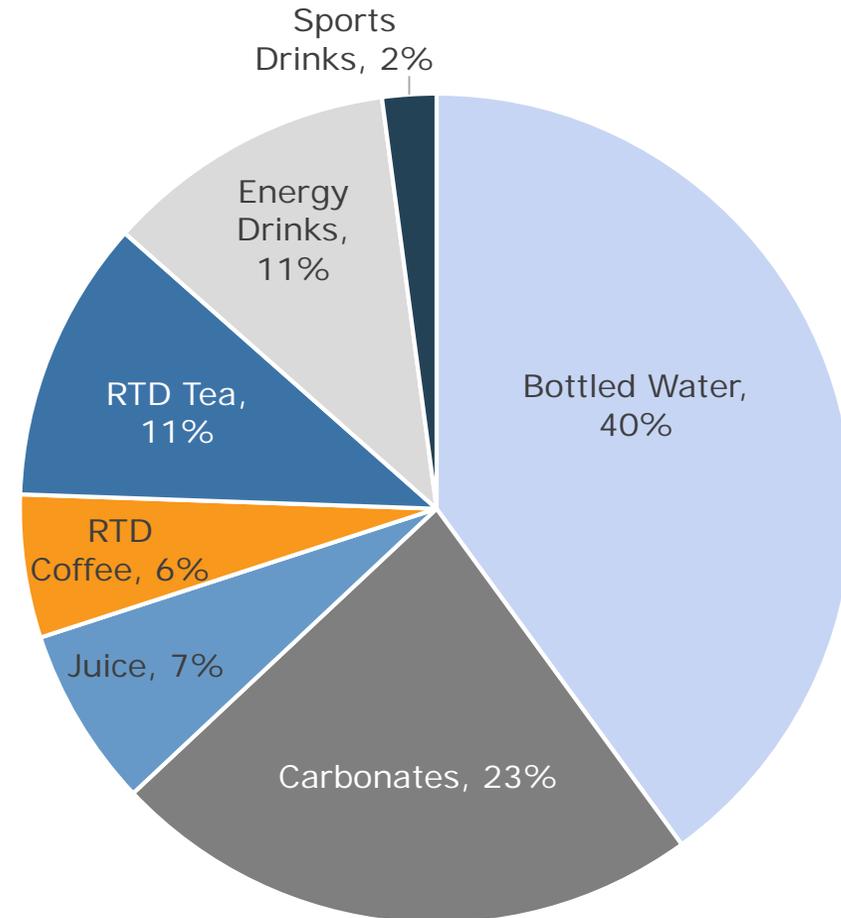


A look at where growth is coming from in non-alc

US non-alc bev \$ share



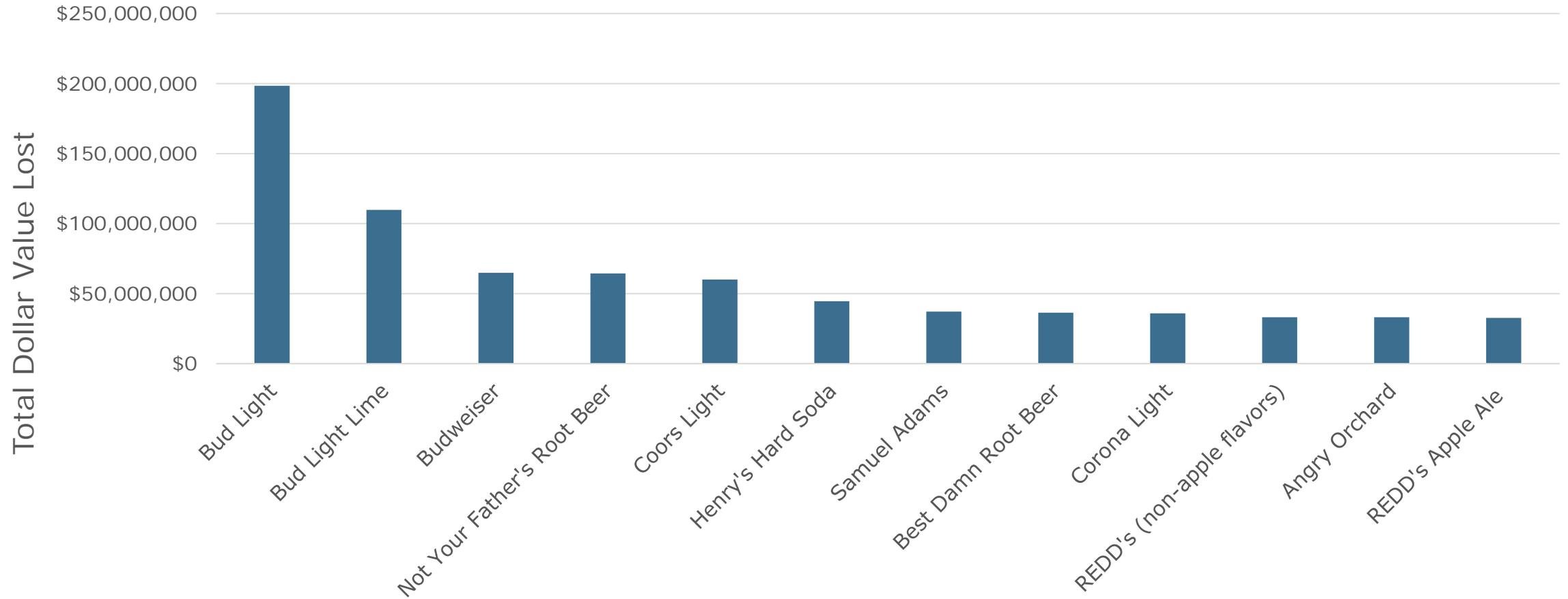
US non-alc bev \$ share of projected 2018-23 growth



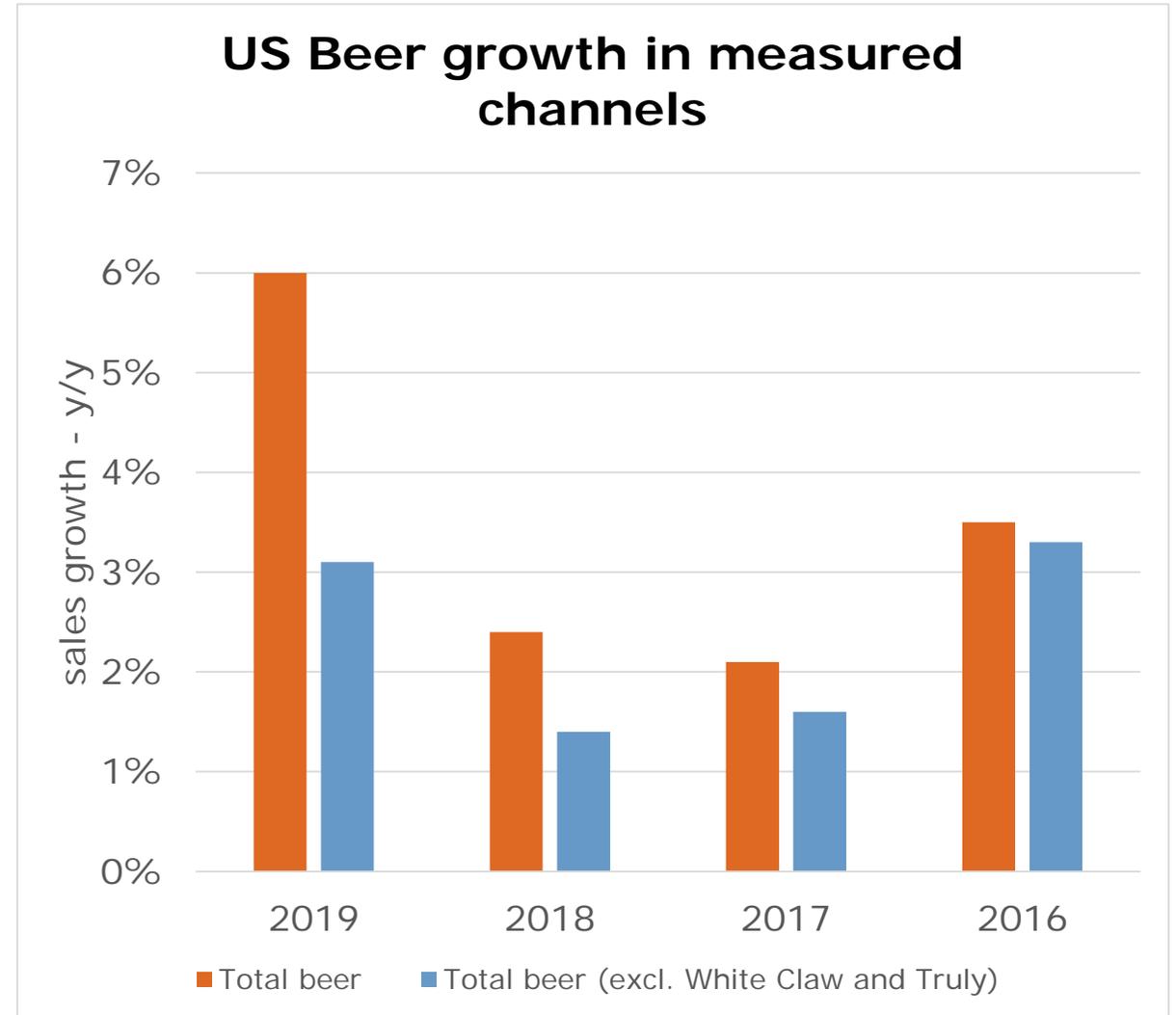
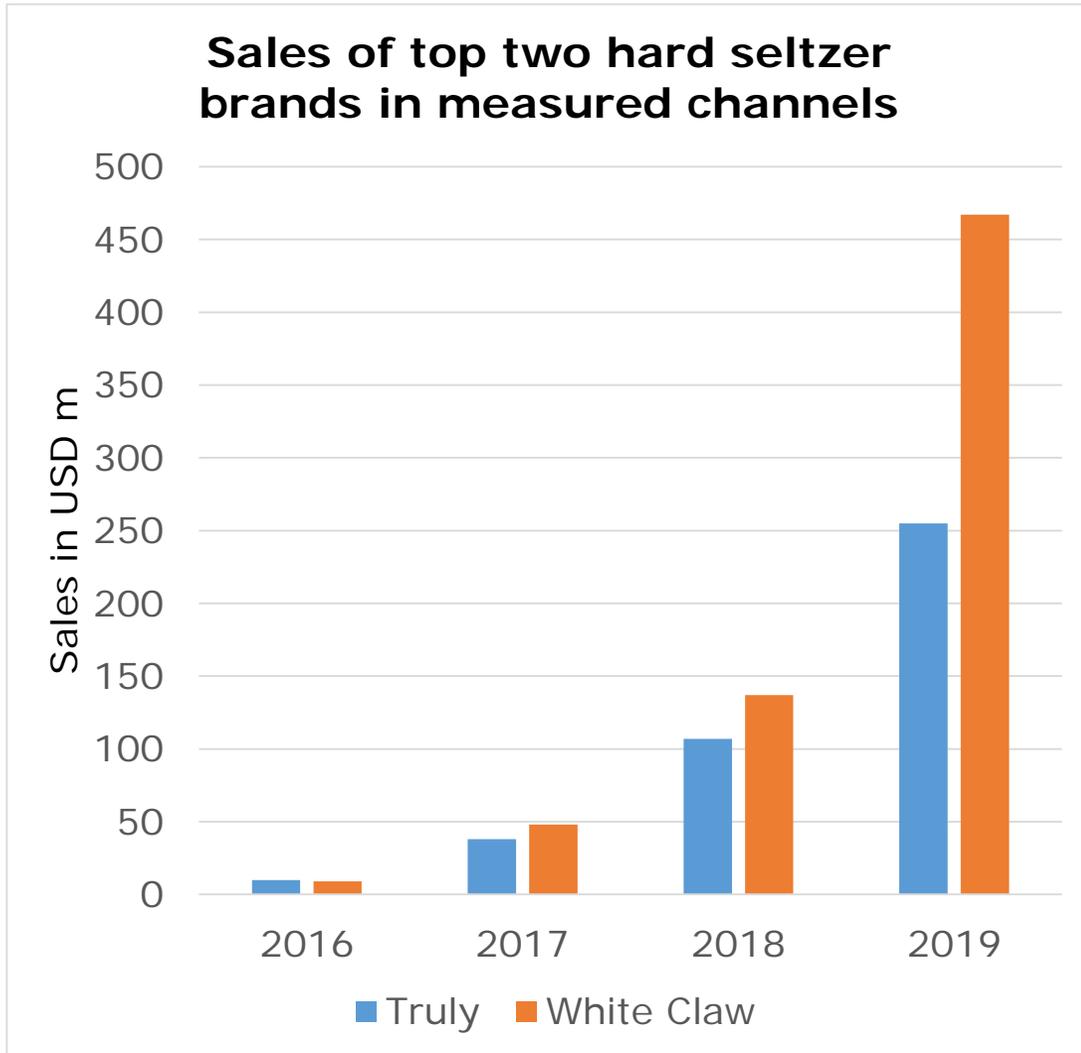
Top 12 movers in the beer industry – in the other direction



2016-19 absolute DECLINE in dollar sales

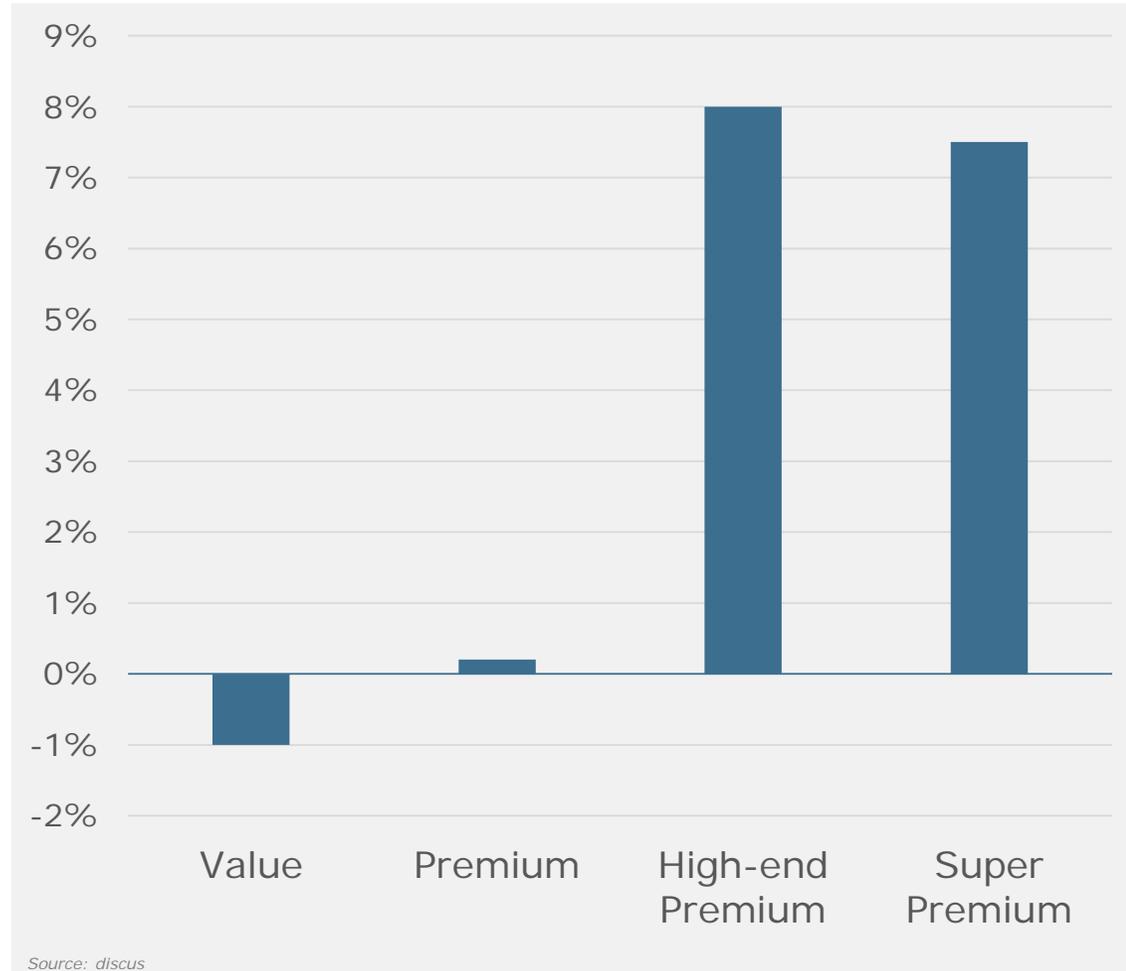


Seltzer growth is explosive – and driving the beer category

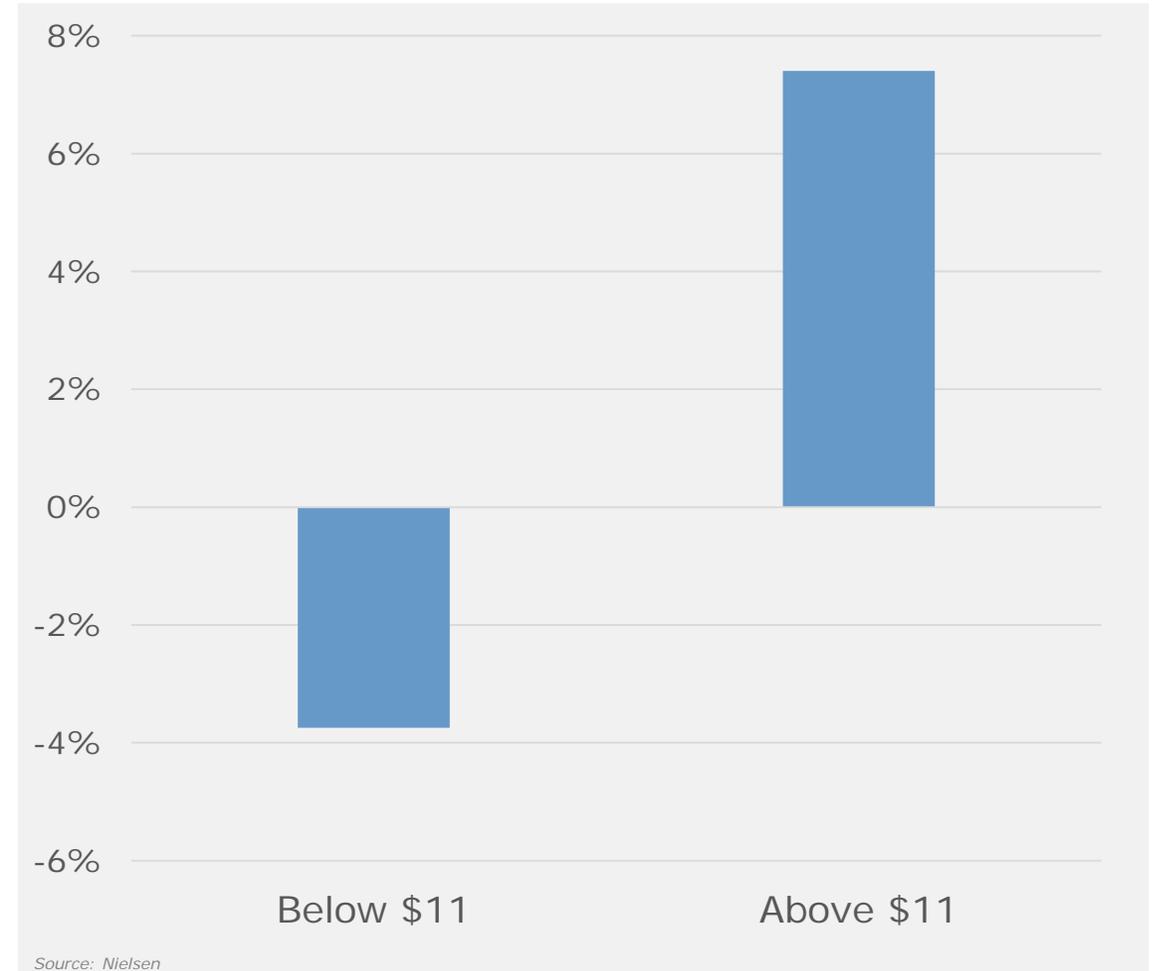


Premiumization remains on track in alcohol

Spirits volume growth in 2018



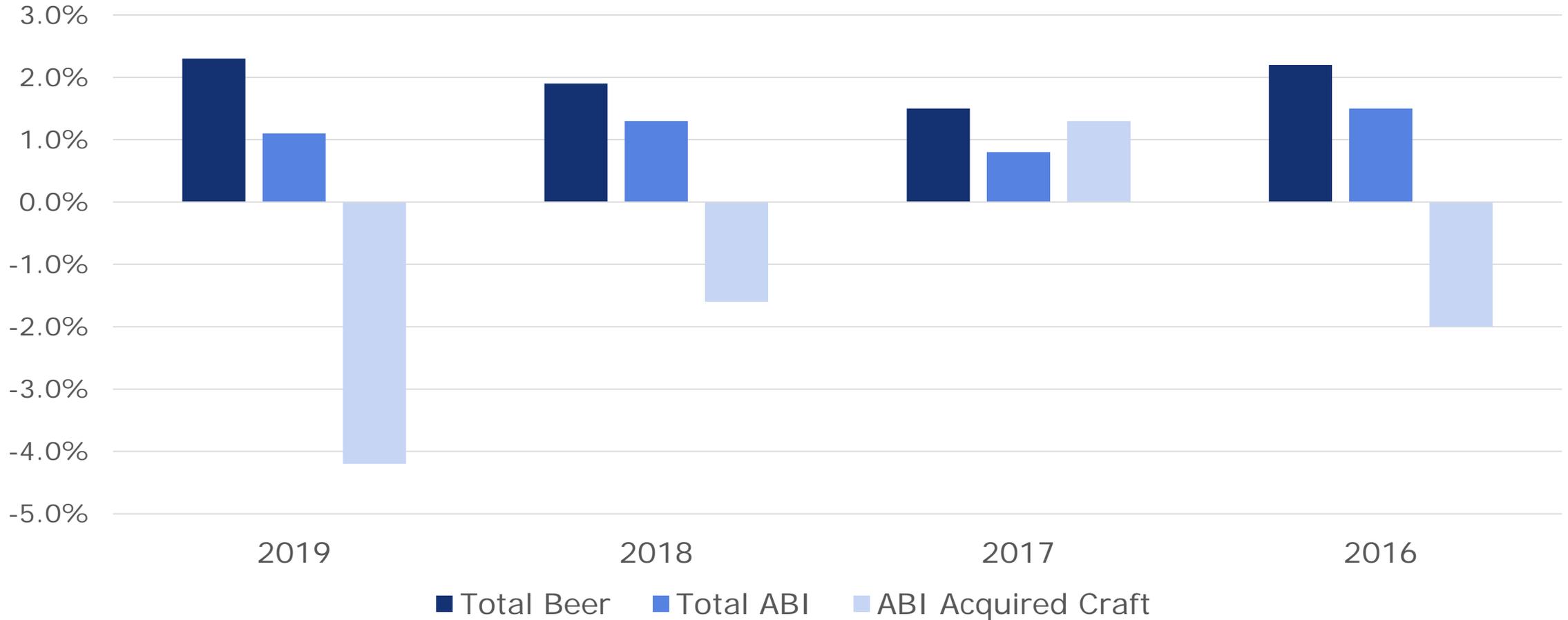
Wine sales volume growth in 2018 (measured off-premise)



Overall beer pricing is good, but...



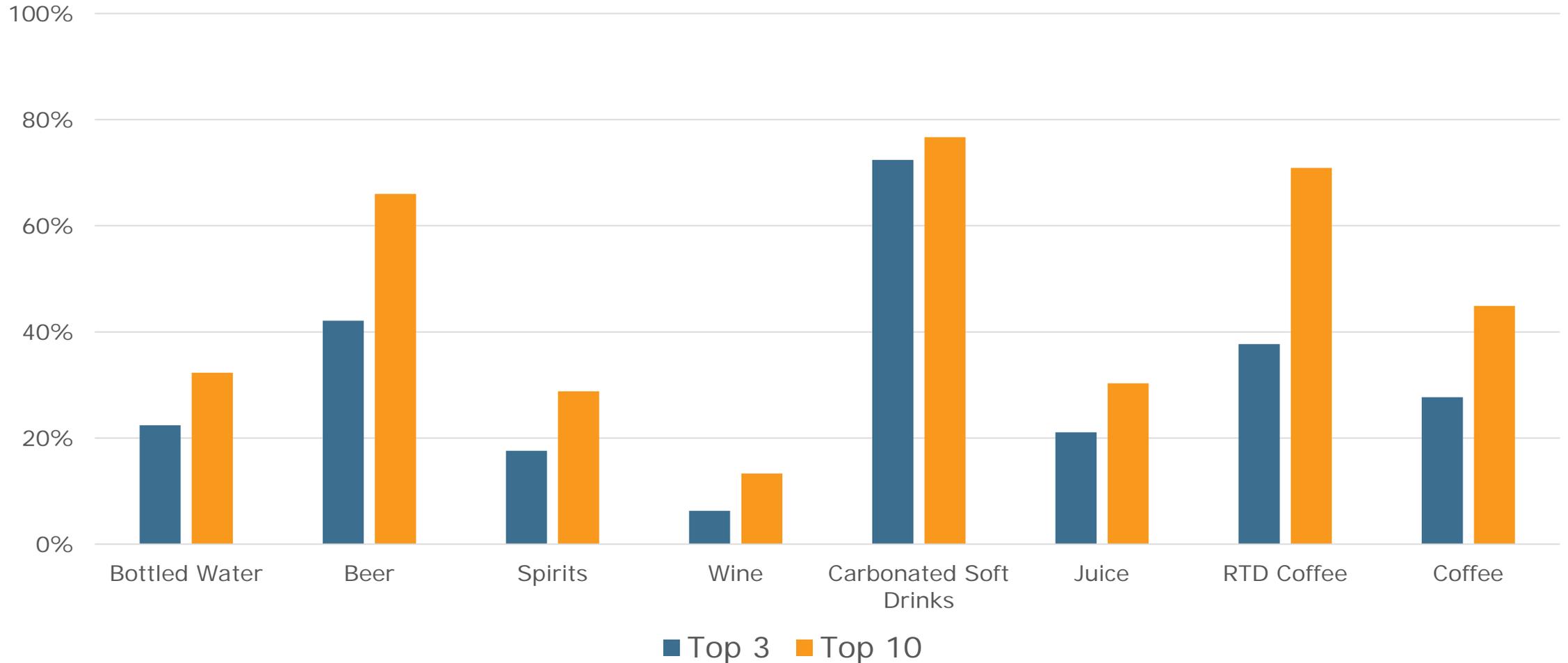
YoY change in US beer pricing



What consolidation looks like across the beverage industry globally

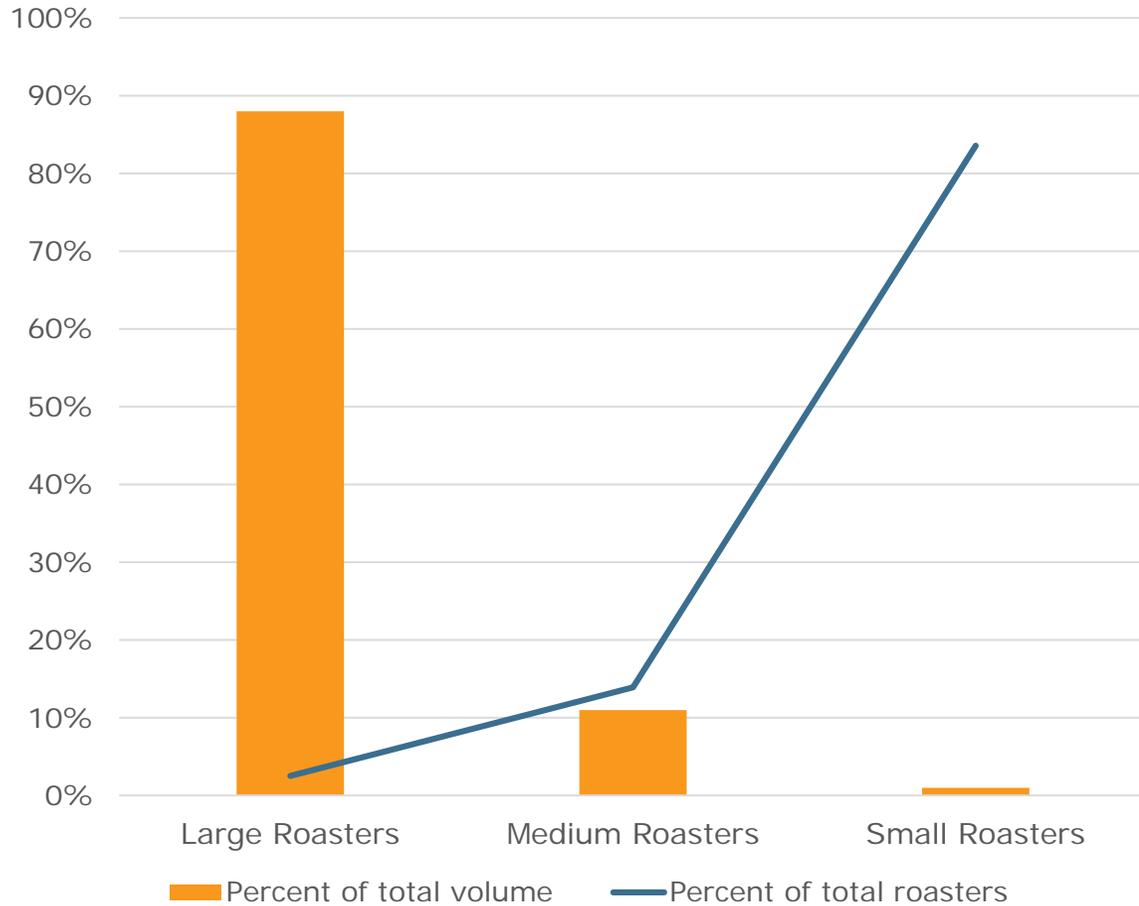


Percent of retail volume generated by top companies, by segment

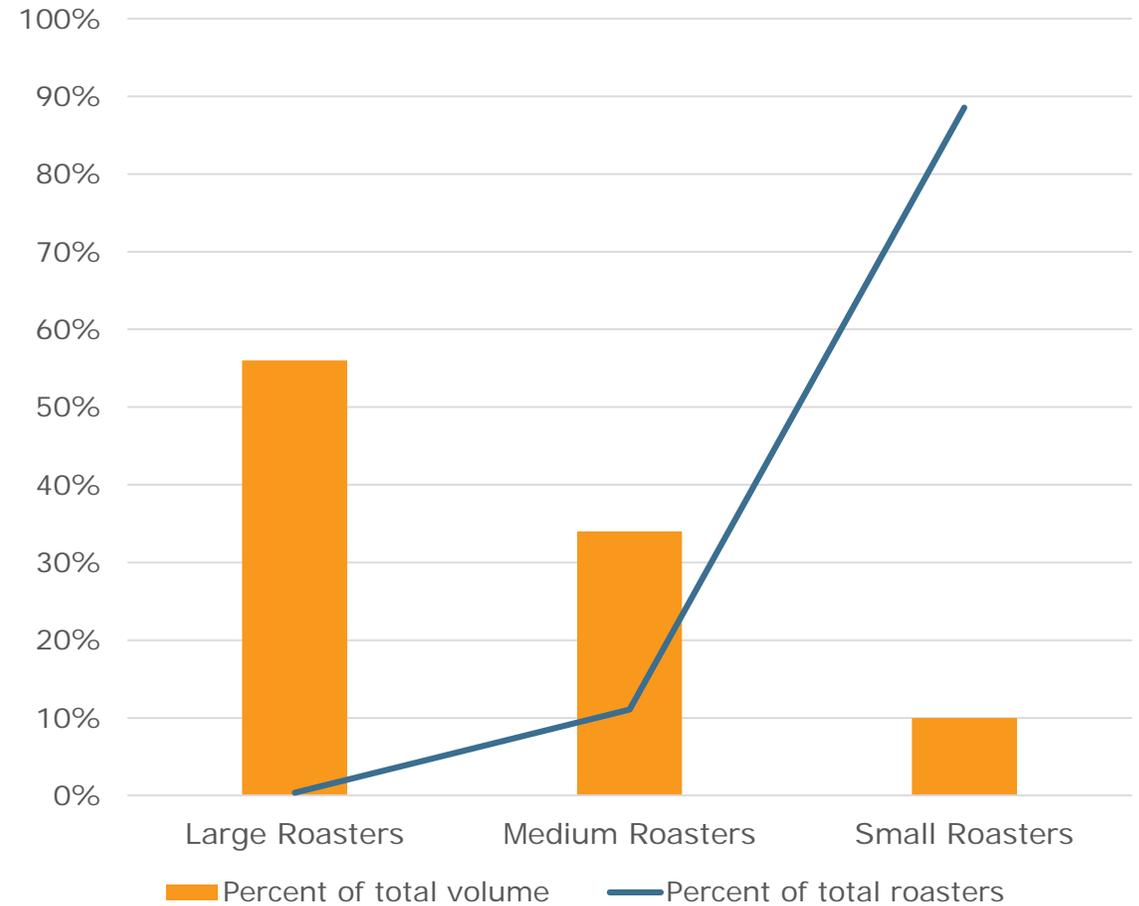


What coffee shows us about consolidation in the US vs the world

Consolidation among US coffee roasters



Consolidation among world coffee roasters



Beverage companies repositioning portfolios

Acquisitions at a premium



Expansion into new categories

NEW AMSTERDAM.VODKA

**HIGH
WEST**
WHISKEY



Divestitures of low-end brands



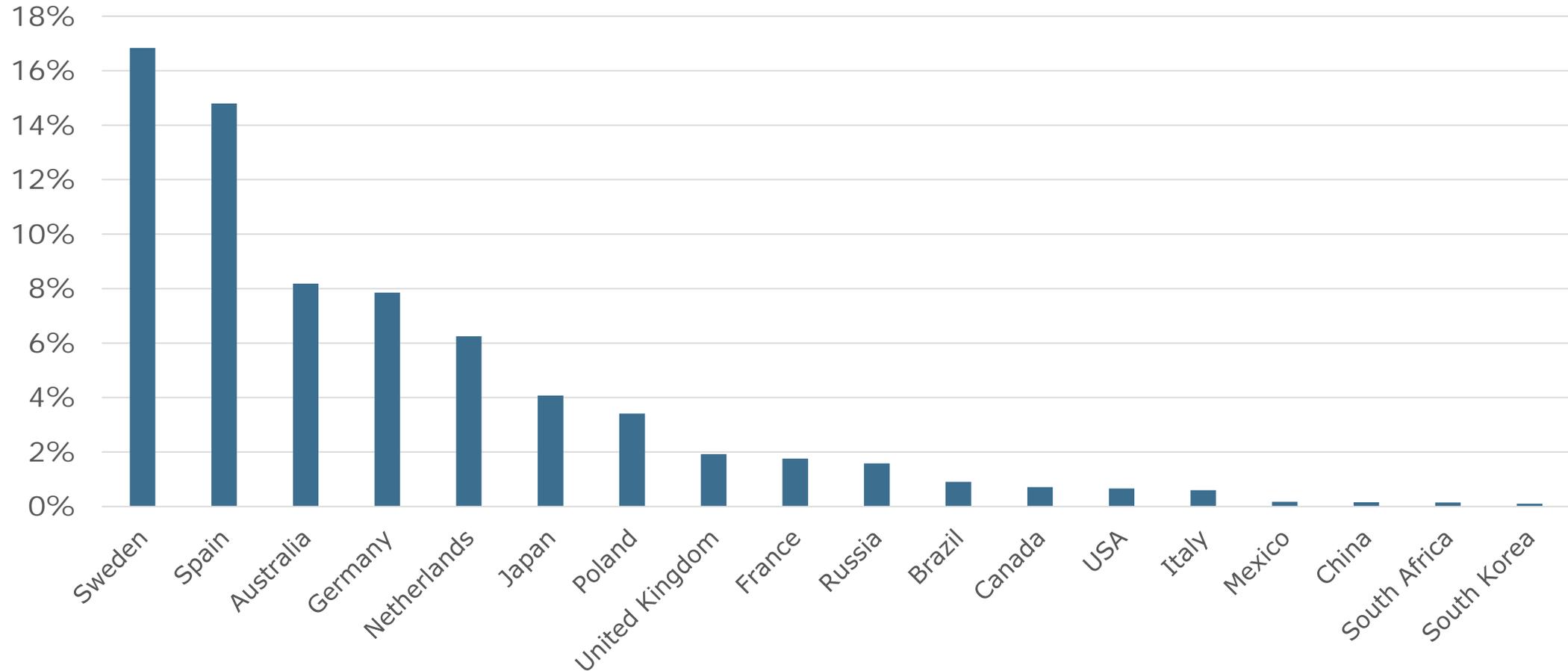
Disruptors go mainstream

KEURIG

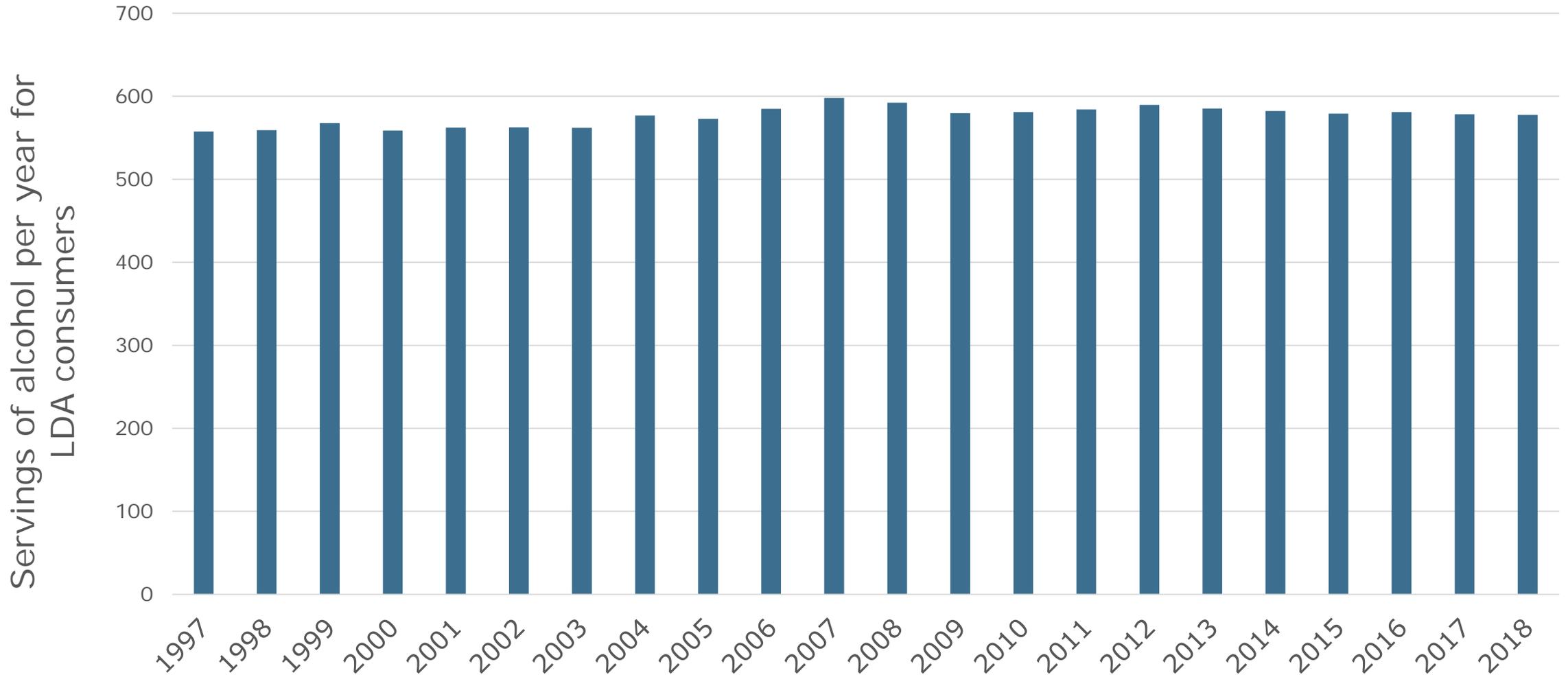


Global landscape for low/no alc beers is very country specific

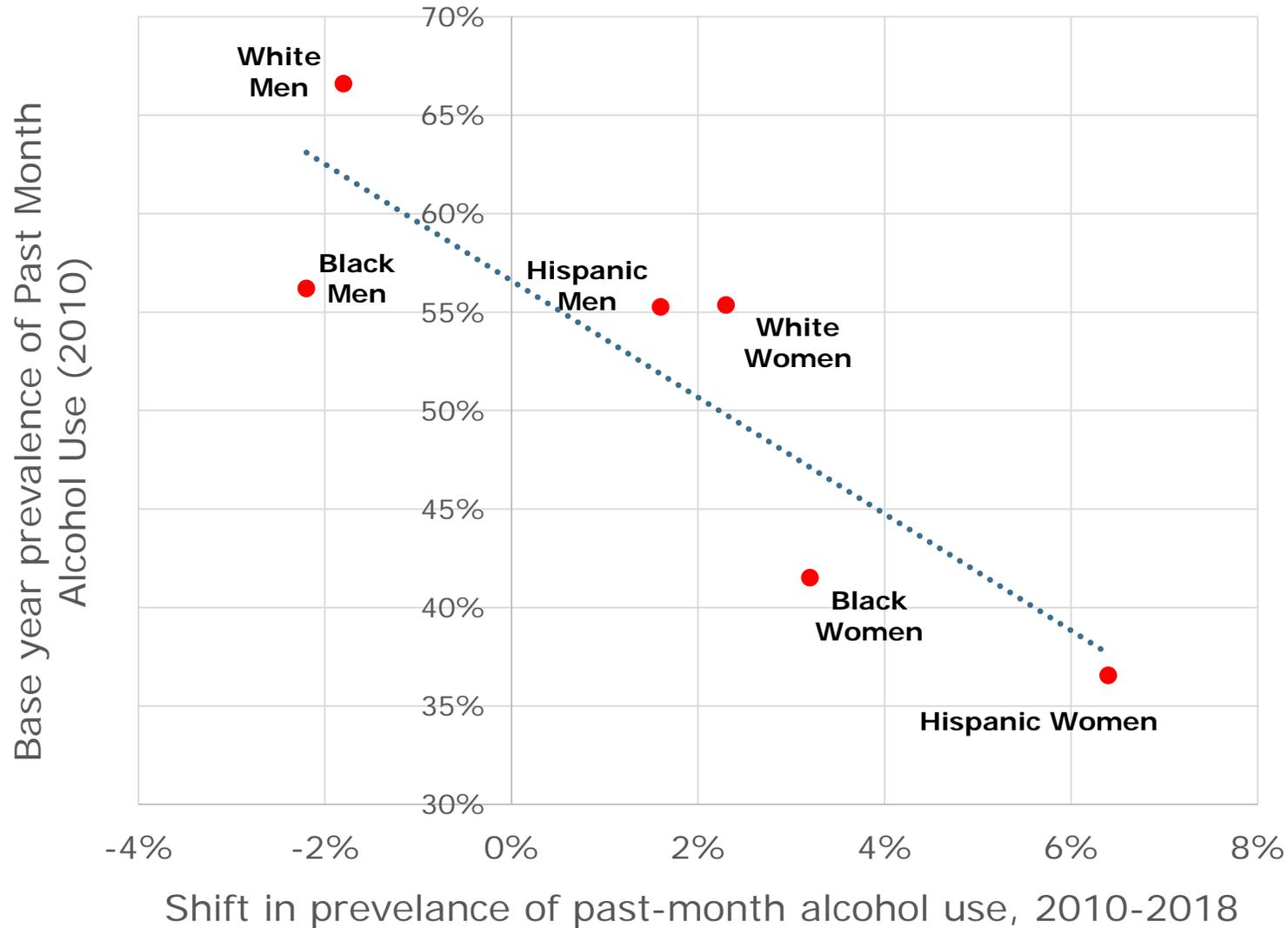
Percent of beer consumption at 3.5% ABV or below



I can't find too much sober-curiosity in the US data



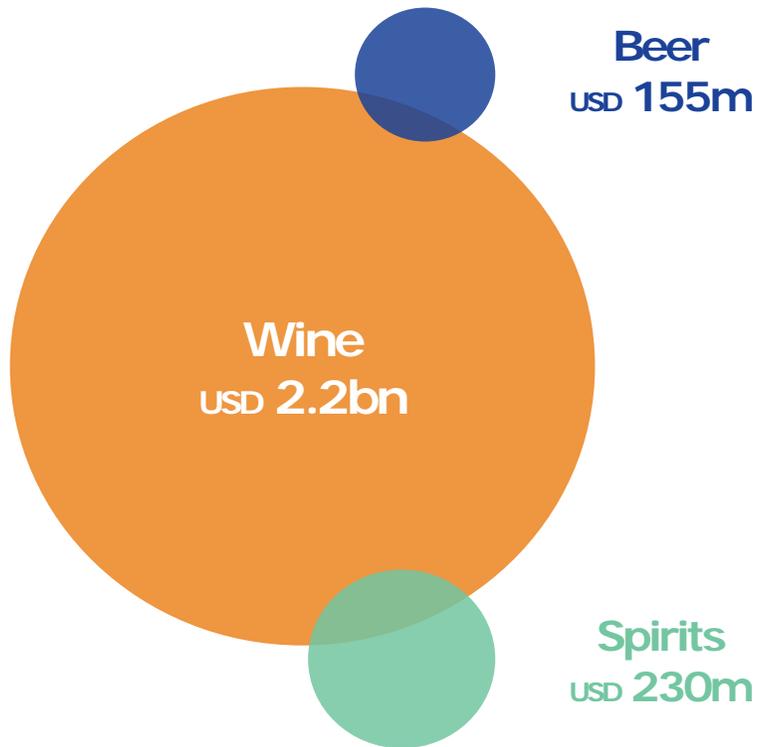
Alcohol consumption is smoothing out



E-commerce sales in the US are a big opportunity for all alcohol segments



2019 Sales By Category

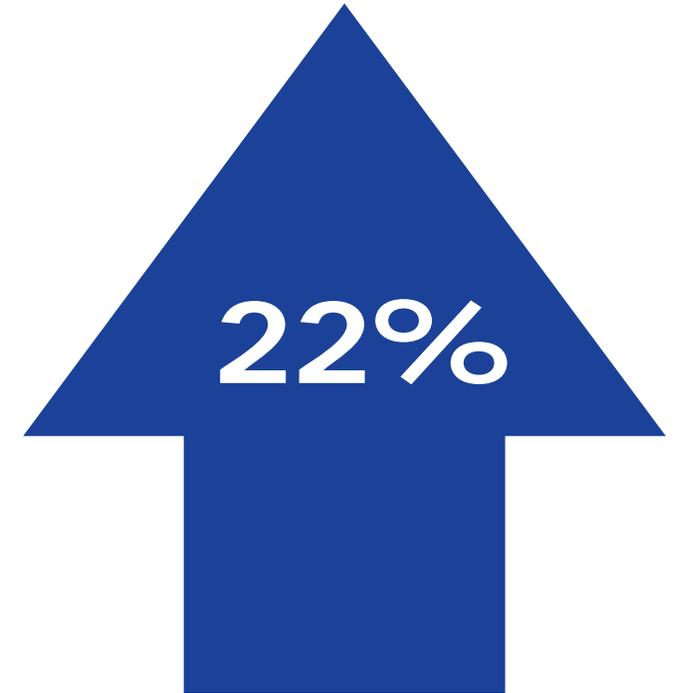


2019

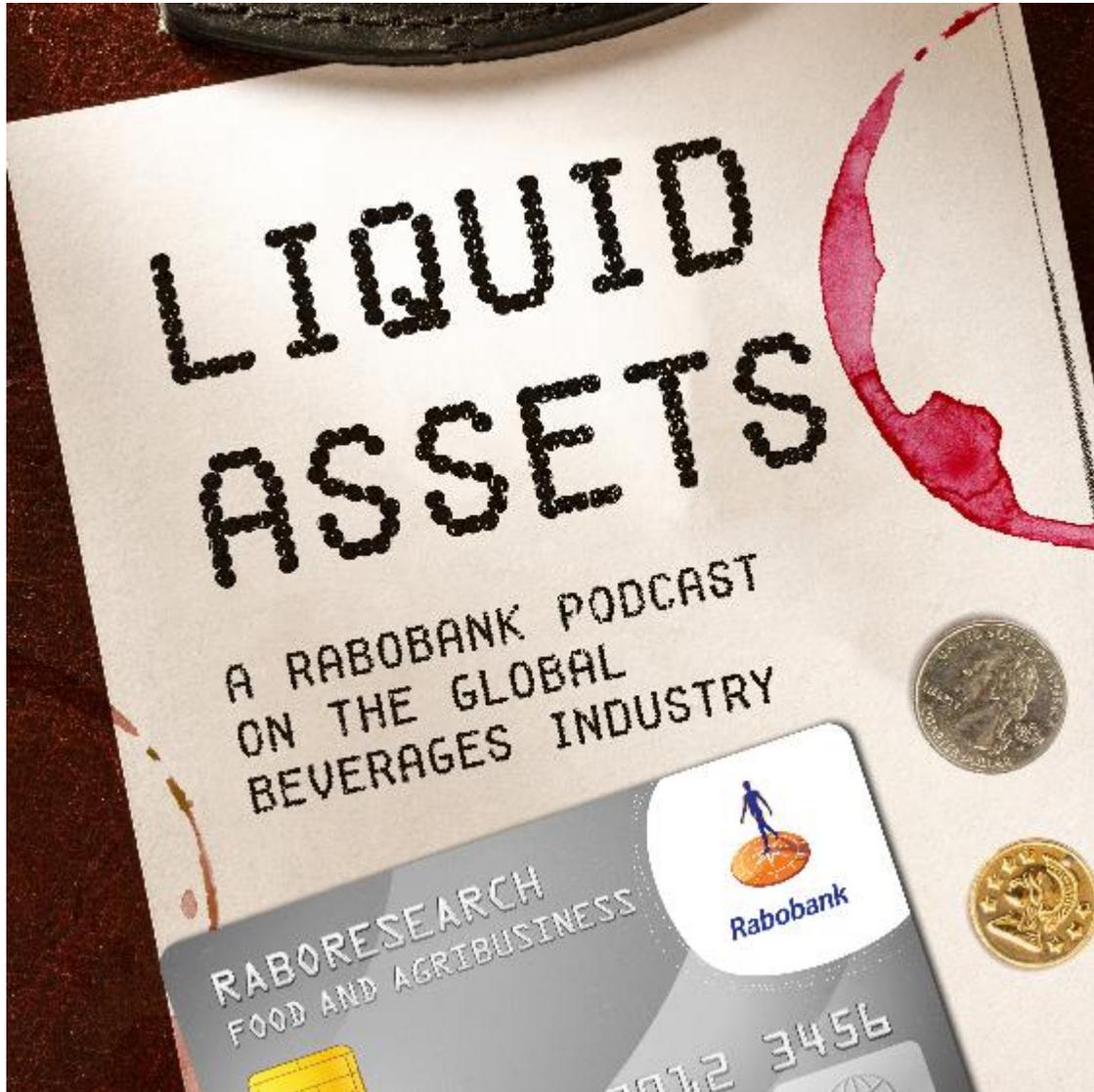
USD **2.6bn**

Combined Total Alcohol
Ecommerce Sales in US

2019 YOY Growth



Thank you for listening!



Reach out to me with any questions/comments at:

James.Watson@Rabobank.com

And check out our podcast - [Liquid Assets](#) to learn more about what is happening across the entire beverage industry