

# BEVERAGE ALCOHOL



## RECENT NEWS

Bill Gates Buys 3.76% Stake in Heineken for \$902 Million

MSN

February 22, 2023

[LINK](#)

Big Soda's Alcohol Drinks Worry Health Experts

Silk-News

February 21, 2023

[LINK](#)

Moët Hennessy Acquires Luxury Rosé Producer Château Minuty

The Drinks Business

February 15, 2023

[LINK](#)

Coca-Cola Has a 'Right' to Compete in the Alcohol Industry, CFO Says

Yahoo Finance

February 14, 2023

[LINK](#)

Spirits Surpass Beer for U.S. Market-Share Supremacy, Data Shows

PBS

February 09, 2023

[LINK](#)

Jay-Z, Bacardi End Multibillion-Dollar Fight Over Cognac Venture

Bloomberg

February 03, 2023

[LINK](#)

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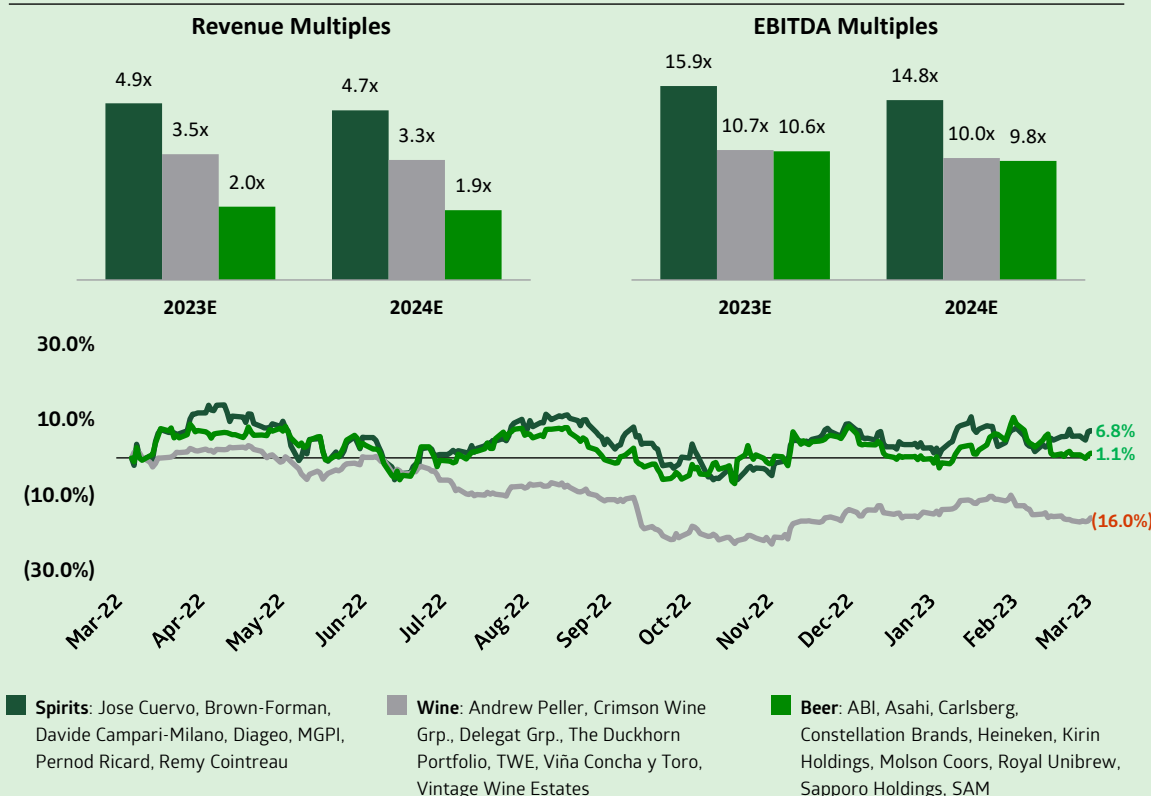
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## CURRENT VALUATION MULTIPLES AND LTM TRADING PERFORMANCE BY CATEGORY



Note: Multiples as of March 06, 2023.

Sources: Company filings and data & analytics provided by S&P Global Market Intelligence; S&P Capital IQ Estimates.

## NOTABLE CATEGORY TRENDS

Spirits	Wine	Beer
<ul style="list-style-type: none"> <li>Spirits have overtaken beer in market share for the first time ever</li> <li>Spirits total market share was up 0.7% to 42.1% and revenue was up 5.1% in 2022 according to DISCUS</li> <li>Tequila and bourbon experienced the highest volume growth in spirits in 2022, growing 11.5% and 5.2% YoY respectively</li> <li>The value price segment grew the most by volume and revenue YoY</li> <li>High-end premium cocktails and RTDs experienced significant volume growth of 102.3% YoY</li> </ul>	<ul style="list-style-type: none"> <li>Wine total market share was down 0.1% to 16.0% and revenue was up 2.5% in 2022 according to DISCUS</li> <li>Premiumization continues with growth in higher-priced fine wines, even as the rate of premiumization slows down</li> <li>Direct-to-consumer sales trends remain resilient in the post-lockdown era; however, sales are down from their peak during the pandemic</li> <li>Refreshing, easy-to-drink white wines that are lighter with higher acidity are in high demand</li> </ul>	<ul style="list-style-type: none"> <li>Beer total market share was down 0.6% to 41.9% and revenue was up 1.8% in 2022 according to DISCUS</li> <li>Total beer started off the year with 7.0% dollar sales growth in January, but the first two weeks of February have seen only 1.6% and 1.1% dollar sales growth respectively, with each week down about 4.4% in volume</li> <li>Sales growth for imported beer was up 5.3%, domestic beer was up 3.6%, and craft beer was down 3.1% in the first two weeks of February</li> </ul>

## BEVERAGE ALCOHOL



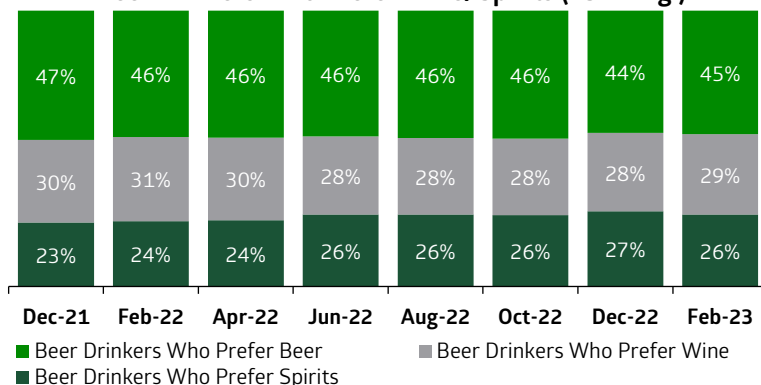
### NEWS SPOTLIGHT: BRAND LINES ARE BLURRING AS MORE CONSUMERS DRINK ACROSS ALCOHOL CATEGORIES

With the noticeable trend of alcohol consumers drinking across multiple alcohol categories rather than sticking to just one type, many alcohol companies are adapting by diversifying their portfolios and expanding their distributor capabilities to adjust to consumer demand

#### CONSUMER BEHAVIOR IS SHIFTING...<sup>(1)</sup>

Of the consumers who drink beer, over half prefer wine or spirits as their primary alcohol beverage

**Beer Drinkers Who Prefer Wine/Spirits (T3M Avg.)**



Consumer preferences are broadening, and as beer companies continue to consolidate and diversify their portfolios, Molson Coors believes that large global brewers are well-positioned to use their scale and portfolio depth to take advantage of these developing trends. Molson Coors believes it can compete well in this changing market, particularly in beer, hard seltzer and beyond.

Younger consumers are drinking across alcohol categories more frequently, which is a significant change in comparison to the older generation that prefers drinking mostly wine over other categories such as beer and spirits.

### DIVERSIFICATION IN ACTION AND EVOLVING DISTRIBUTION RATIONALE

In some cases, spirits companies have been looking to **change distributors**, noting that beer distributors are **more accustomed to the higher velocities** seen in beer versus wine and spirits, and can provide **broadier access to consumers**. However, many states **do not allow** spirits distribution to certain retailers, provoking companies with spirits-based RTDs, for example, to call for **legal change**



## BEVERAGE ALCOHOL



### RECENT COWEN RESEARCH

Nielsen xAOC + C-Store Alcoholic Beverage Analysis

Industry Update  
March 07, 2023

LINK

Nielsen Spirits Update

Industry Update  
March 07, 2023

LINK

January 2023 Control State Results

Industry Update  
March 03, 2023

LINK

Nielsen Bi-Weekly Beer / FMB / Cider Update

Industry Update  
February 21, 2023

LINK

### UPCOMING EVENTS

- **March 08 – 09:** Vinexpo America & Drinks America
- **March 07 – 11:** Natural Products Expo West 2023
- **April 02 – 05:** Wine & Spirits Wholesalers of America's Convention and Exposition
- **May 02 – 03:** The Beverage Forum 2023
- **May 07 – 10:** Craft Brewers Conference
- **June 13 – 14:** Bar Convent Brooklyn
- **September 18 – 19:** TD Cowen Sip & Snack Conference

(1)

**VINEXPO**  
AMERICA

**DRINKS**  
AMERICA

**Natural  
Products**  
EXPO WEST\*

**WINE & SPIRITS  
WHOLESALE  
OF AMERICA**

**the  
beverage  
FORUM**

**CRAFT  
BREWERS  
CONFERENCE**  
a Beverage Association

**BCB**  
BAR CONVENT  
BROOKLYN

Denotes TD Cowen Conference.

(1) The use of any mark or logo is for identification purposes only and does not imply any association or affiliation with the trademark holder or their product brands.

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