



Beer Industry in 2025

Answering the Top 10 Questions

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The top questions going into 2025



- #1: Will increasing regulation affect alcohol consumption?
- #2: Will non-alcoholic beer continue to grow?
- #3: Are GLP-1 drugs (or broader health concerns) a big headwind?
- #4: Is the US consumer OK?
- #5: Are tariffs going to reshape the beer industry?
- #6: Do we still need to pay attention to RTDs?
- #7: Can beer take any more pricing?
- #8: Is the whiskey lake a real issue?
- #9: Is craft beer past peak?
- #10: Will brewers continue to push into non-alcoholic beverages?

#1: Will increasing regulation affect alcohol consumption?



Serving Facts	
Serving Size 5 fl oz (148 ml) Servings Per Container 5	
Amount Per Serving	
Alcohol by volume	14%
fl oz of alcohol	0.7
Calories	120
Carbohydrate	3g
Fat	0g
Protein	0g

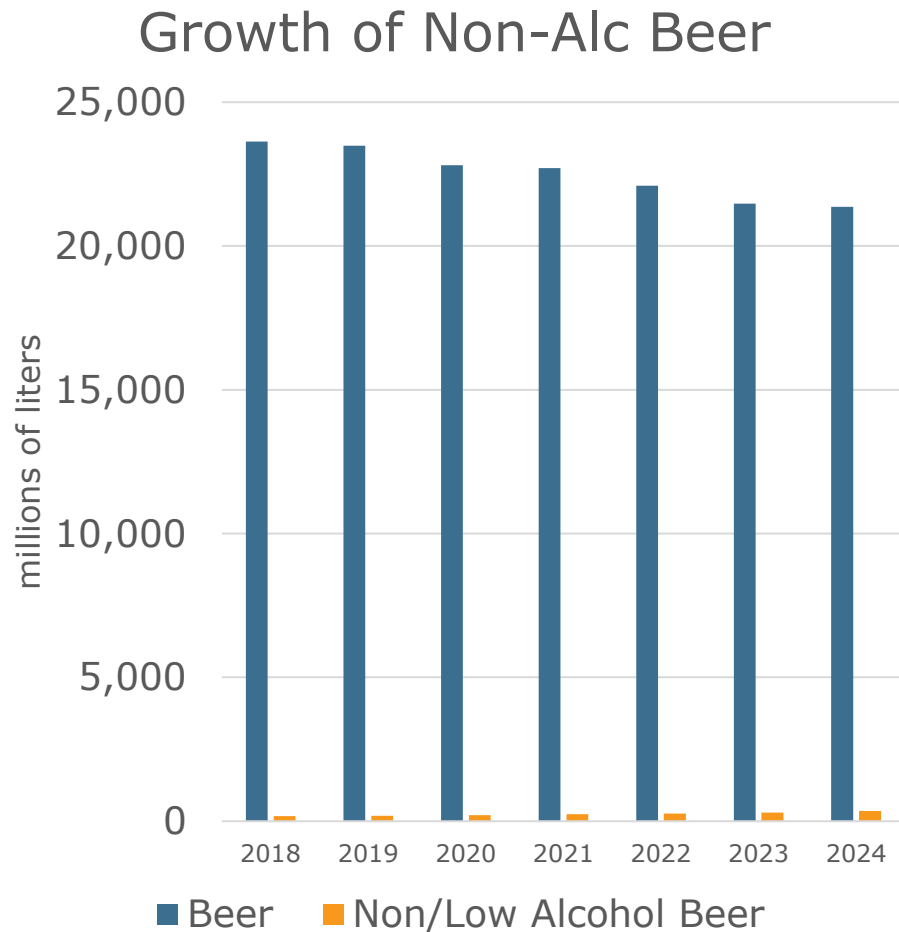
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Draft Report: Scientific Findings of the Alcohol Intake & Health Study for Public Comment

January 2025

- Among the U.S. population, the risk of dying from alcohol use begins at low levels of average use. Higher levels of alcohol consumption are linked with progressively higher mortality risk. Depending on the level of use, men are at a similar risk of health harms from alcohol use compared to women.

#2: Will non-alcoholic beer continue to grow?



Source: Euromonitor



World Health Organization

Latest news

No level of alcohol consumption is safe for our health

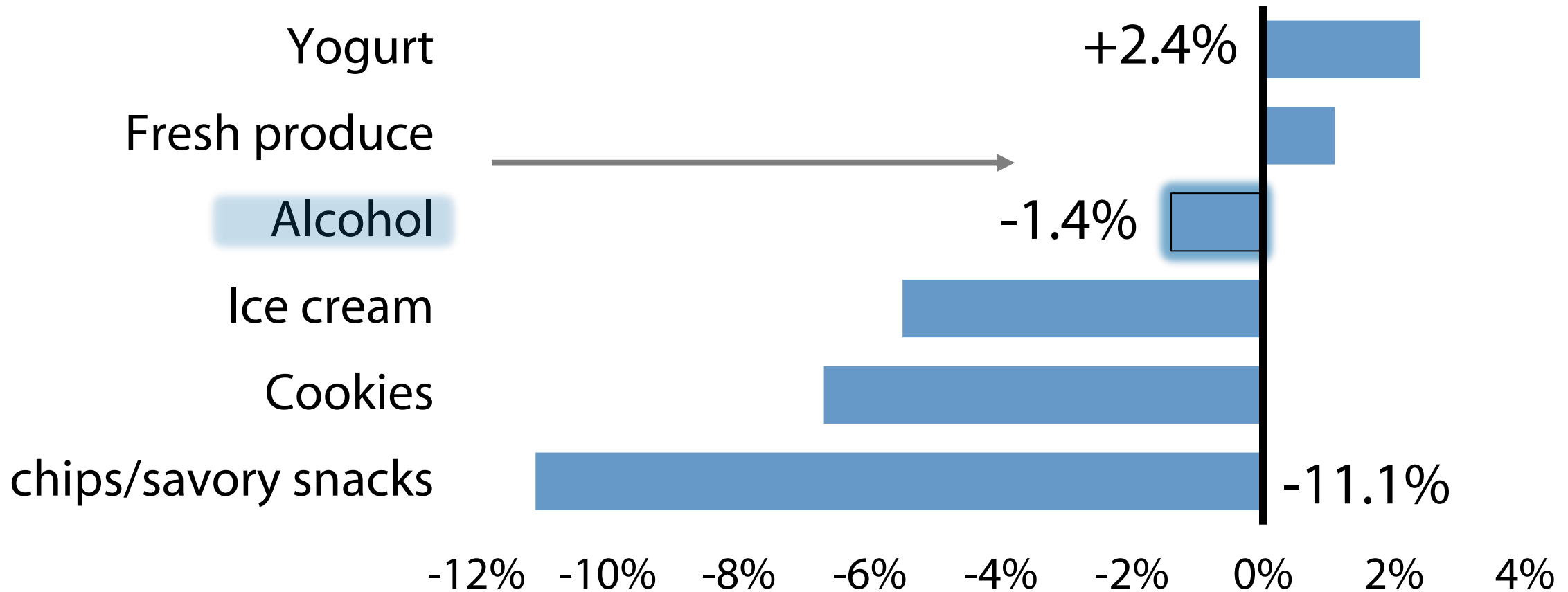
The risks and harms associated with drinking alcohol have been systematically evaluated over the years and are well documented. The World Health Organization has now published a statement in *The Lancet Public Health*: when it comes to alcohol consumption, there is no safe amount that does not affect health.

It is the alcohol that causes harm, not the beverage

#3: Are GLP-1 drugs (or broader health concerns) a big headwind?



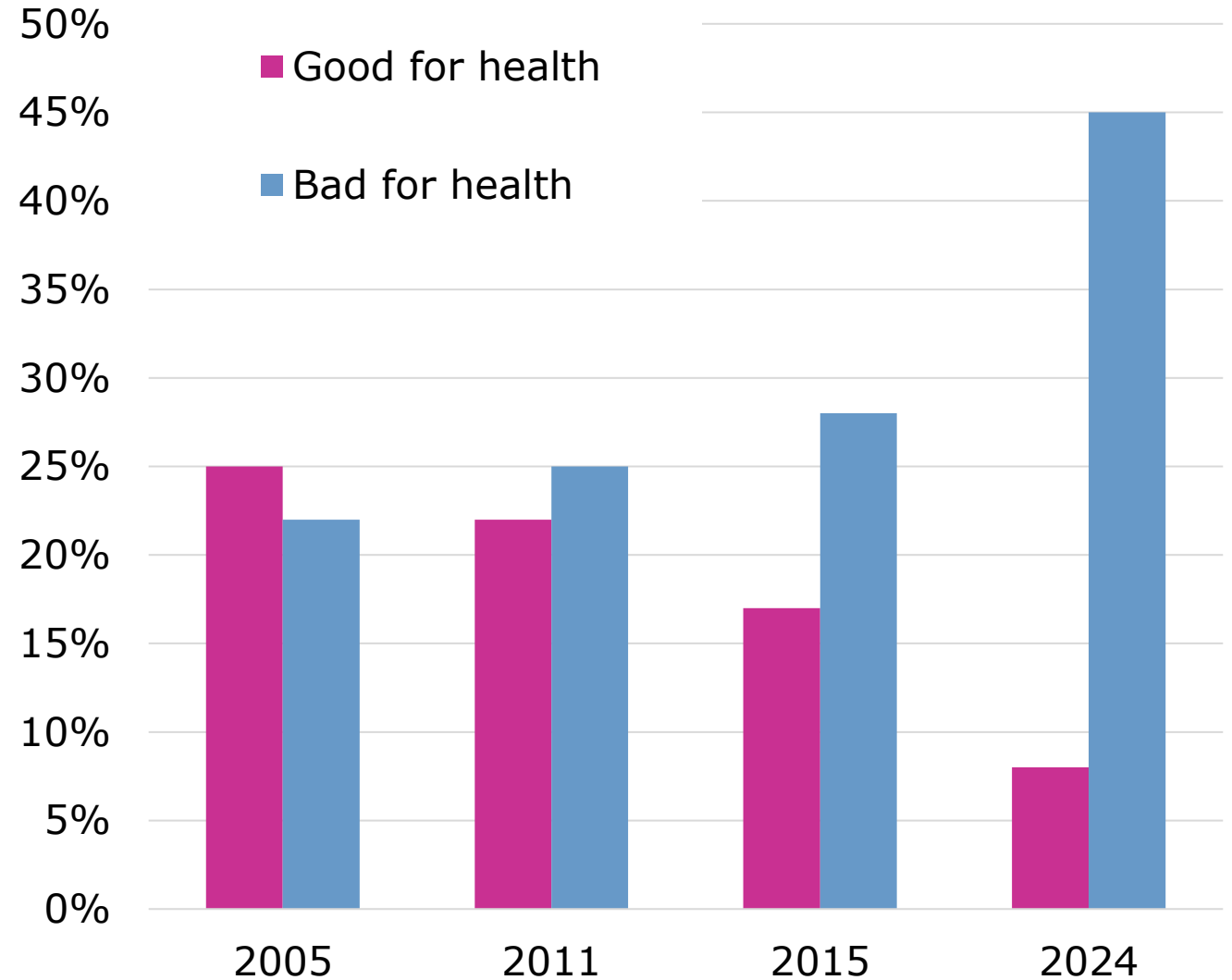
Change in grocery spend 6 months post GLP-1



Health messaging isn't helpful, but...



“Do you, personally, think drinking in moderation is good for your health, makes no difference, or is bad for your health?”



... But we were singing the same tune as consumption fell in the 1980's



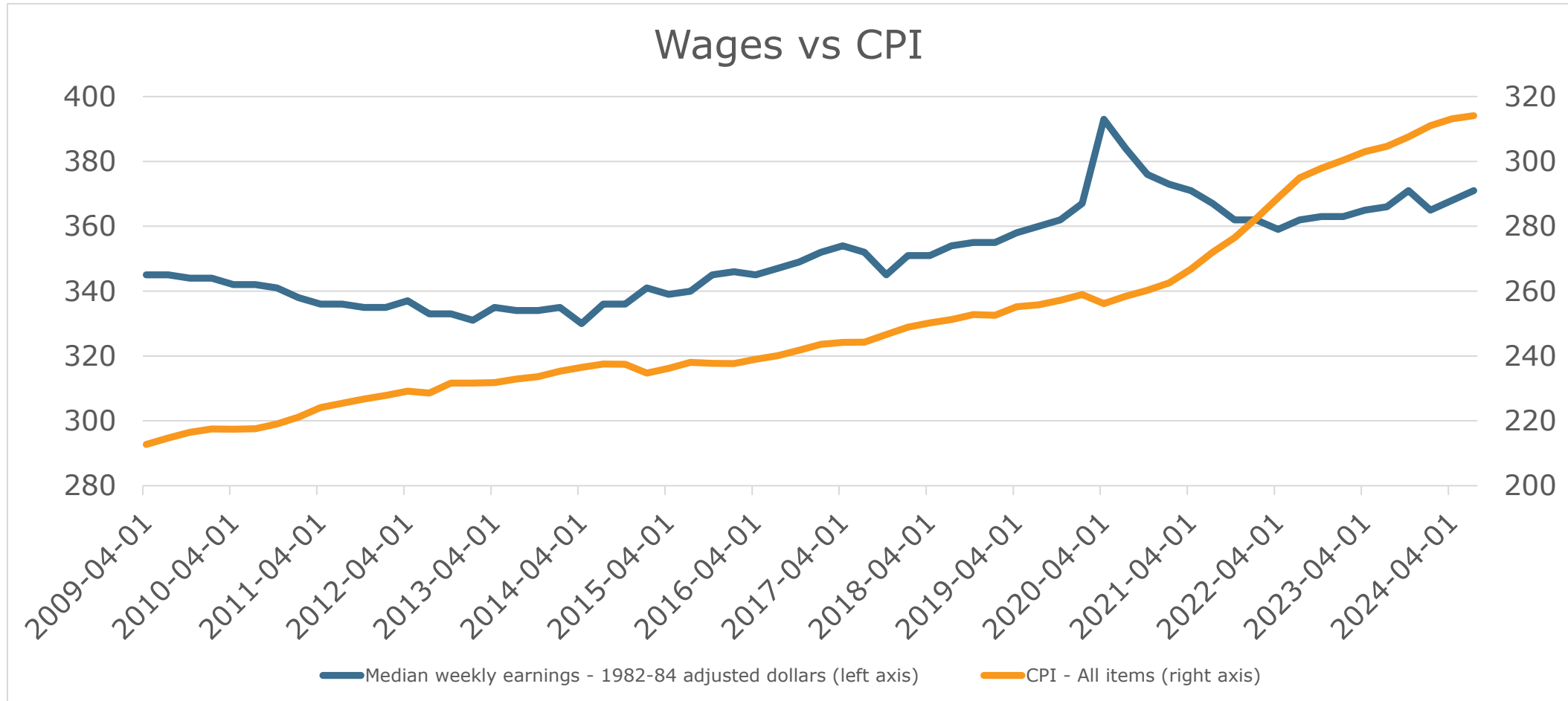
“[The decreases seen in alcohol consumption] were reflected by greater interest in beverages with reduced alcohol content as well as increased public awareness regarding physical fitness, nutrition and alcohol abuse.”

- *New York Times*, 1988

In the early 1980's when Americans started switching from Scotch to Seltzer, it seemed to be just another ebbing in the cycle of rising and falling consumption of alcohol. But what seemed to be a passing fancy now appears to have taken root as a fundamental change in American culture.

- *New York Times*, 1991

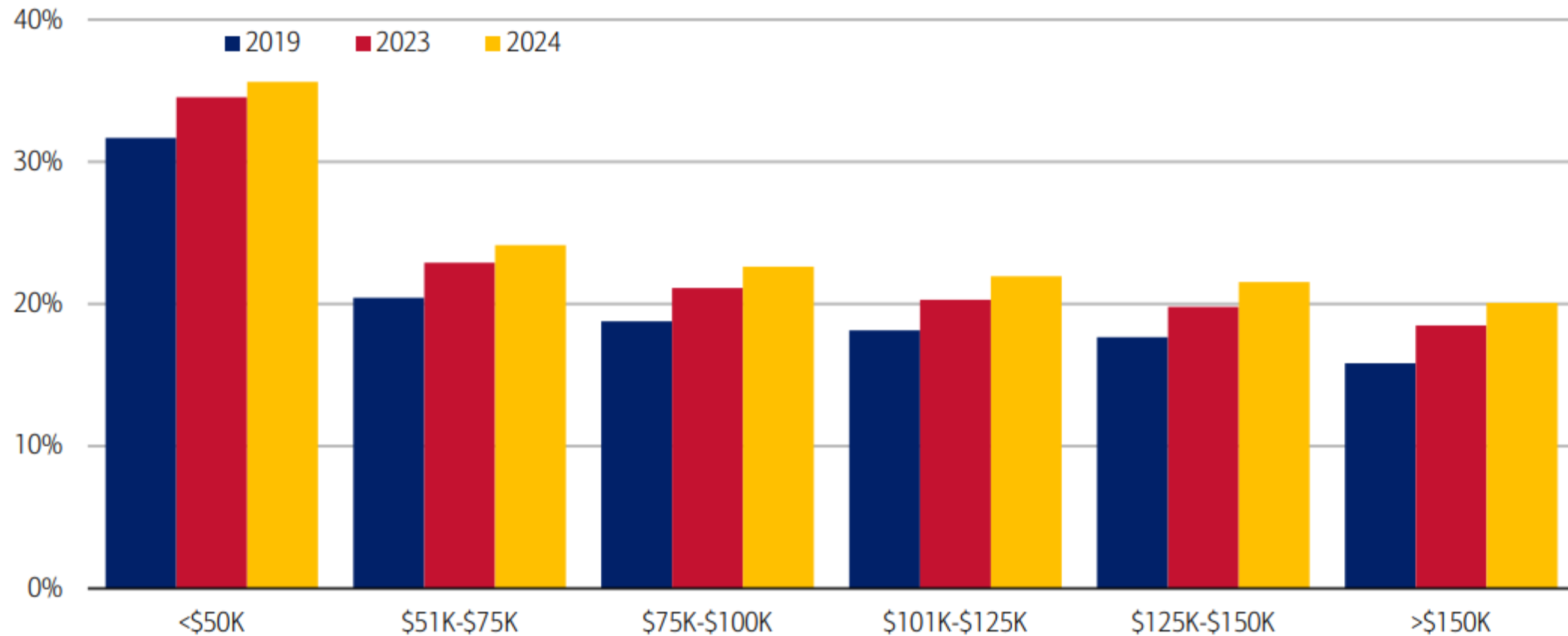
#4: Is the US consumer OK?



More consumers living paycheck to paycheck



Share of household living paycheck to paycheck, by income



#5: Are tariffs going to reshape the beer industry?



MARKETS

Trump says he's thinking of imposing 25% tariffs on Canada and Mexico in February

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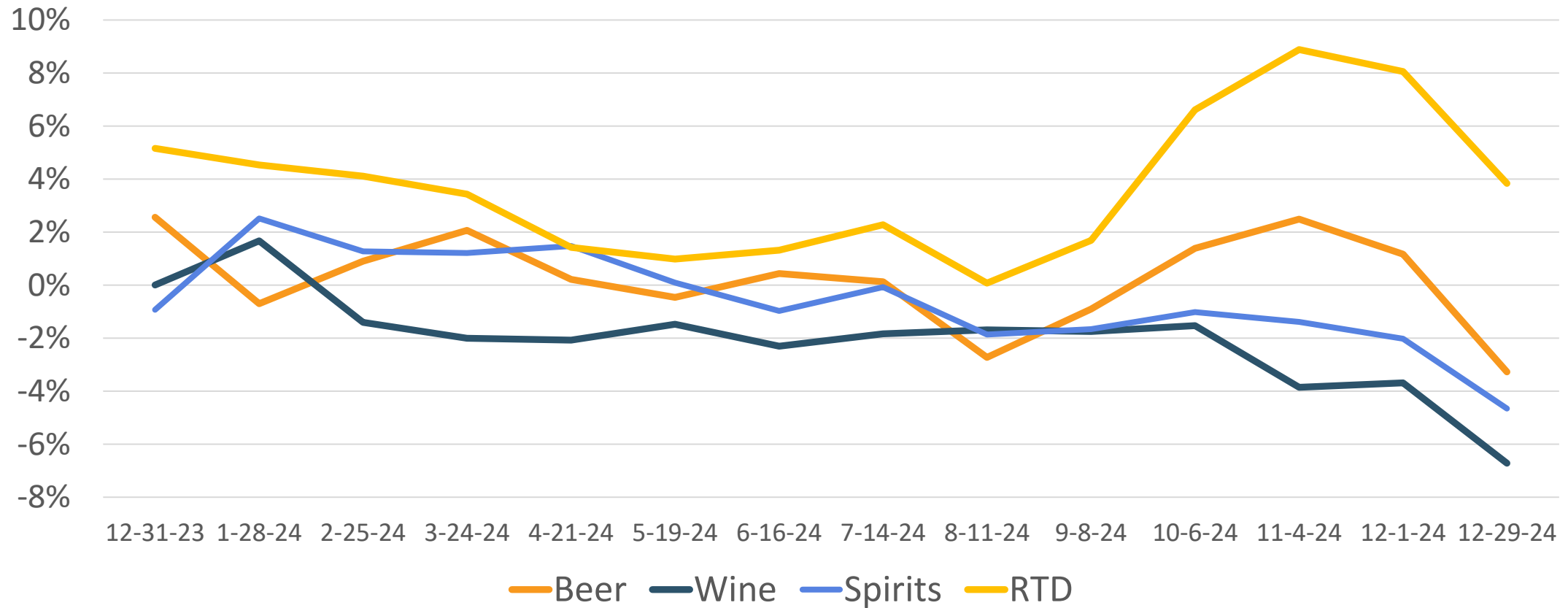
“We love to tell a story of the last Trump administration. Our business was up double digits over that four-year period of time. So we're quite experienced at working with the Trump administration. With that said, certainly tariffs are a bit of a risk and it's an open-ended question, but certainly we have a lot of contingency plans”

– Bill Newlands, Constellation CEO

#6: Do we still need to pay attention to RTDs?



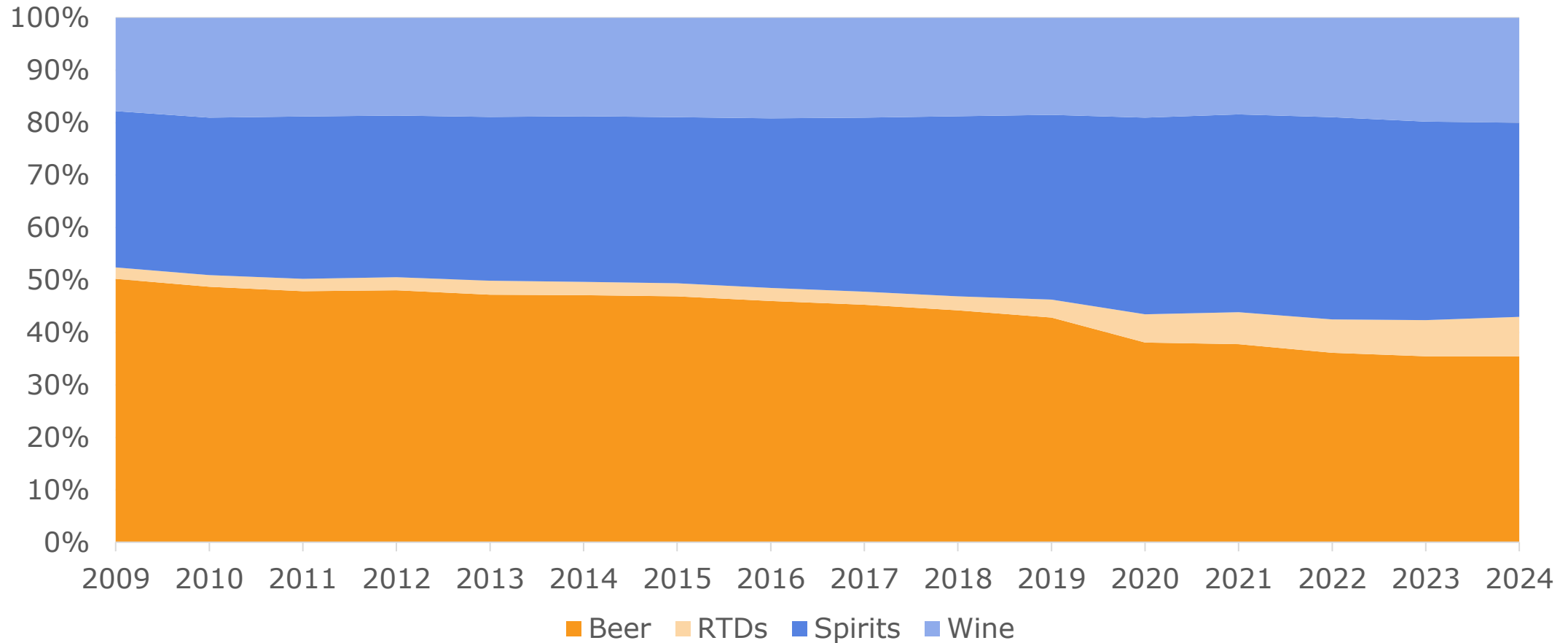
Alcohol Sales by Category



RTDs are ~8% of total alcohol sales, and growing



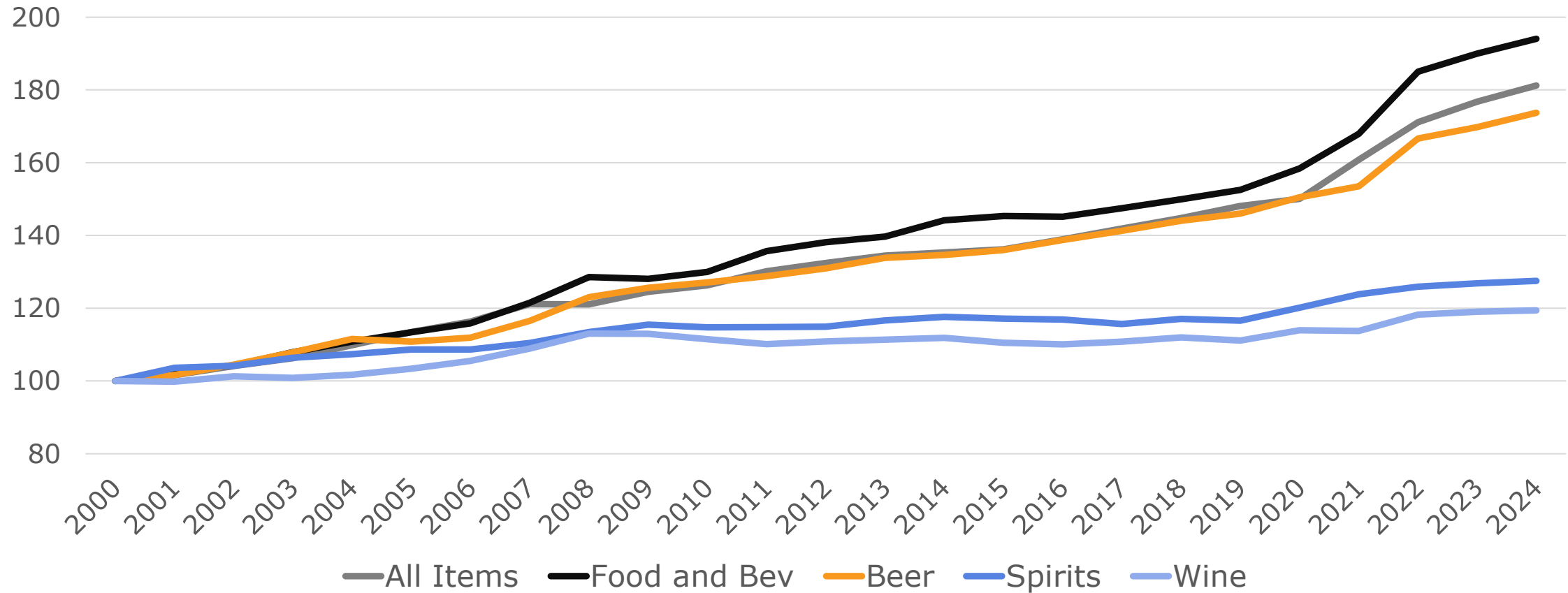
Market Share by Alcohol Category



#7: Can beer take any more pricing?



US Beer outpricing other alcohol



Beer staying close(ish) to wine and spirits

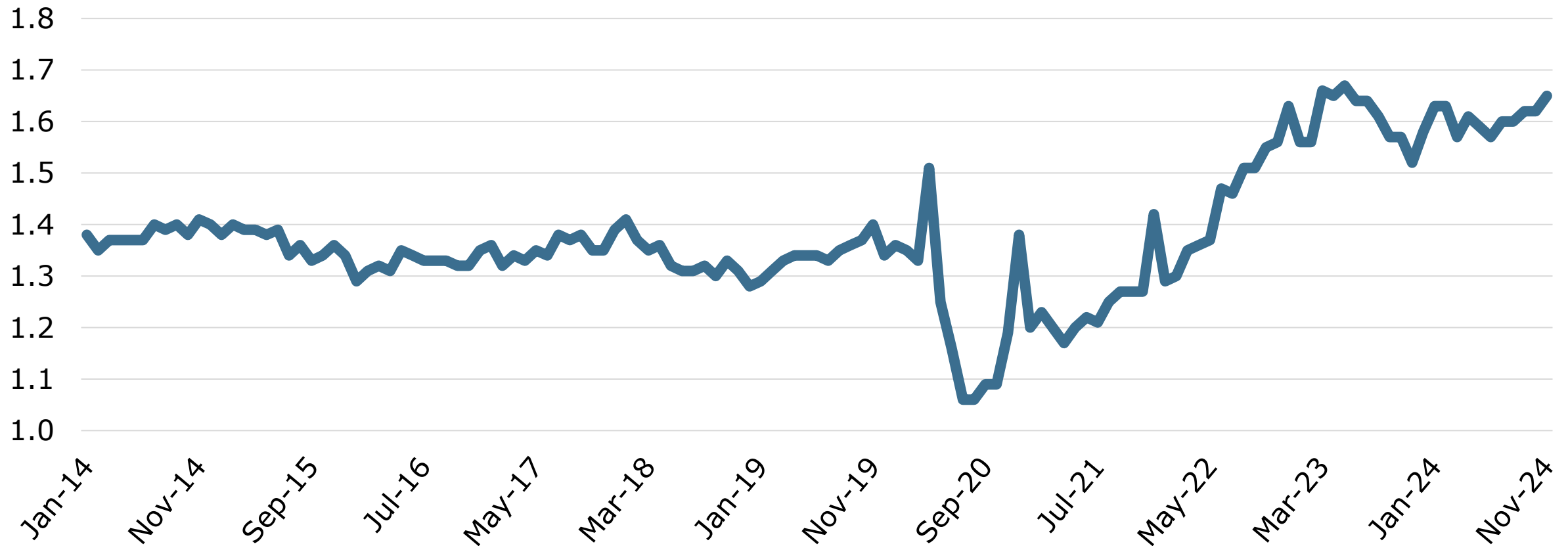


Pricing y/y % change for 4 weeks ending:	12-31-23	1-28-24	2-25-24	3-24-24	4-21-24	5-19-24	6-16-24	7-14-24	8-11-24	09-8-24	10-6-24	11-4-24	12-1-24	12-29-24
Carbonated Soft Drinks	5.4%	6.1%	4.5%	5.5%	6.4%	5.8%	5.2%	5.0%	5.4%	5.2%	5.9%	5.6%	6.1%	6.1%
Refrigerated Juice	11.1%	4.8%	5.5%	8.9%	9.1%	5.7%	5.6%	4.8%	9.1%	8.6%	5.0%	7.0%	6.1%	4.5%
Sports Drinks	7.9%	7.7%	7.8%	4.1%	2.7%	1.9%	2.7%	-0.6%	1.0%	1.2%	-0.6%	-1.0%	1.3%	3.4%
RTD Tea and Coffee	1.8%	0.9%	0.9%	0.1%	0.3%	-0.2%	-0.1%	-0.9%	0.6%	1.4%	0.6%	0.7%	1.8%	3.1%
Coffee	-0.7%	-0.3%	-1.1%	0.5%	-1.7%	-1.4%	0.2%	0.8%	2.3%	1.4%	1.1%	2.2%	2.0%	2.5%
Beer	1.8%	1.3%	2.0%	2.3%	2.2%	2.0%	2.3%	1.9%	1.8%	2.1%	2.3%	2.2%	2.0%	1.8%
Bottled Water	0.9%	-1.1%	1.2%	1.3%	0.5%	0.8%	0.5%	-0.4%	0.3%	2.0%	-2.0%	2.1%	1.4%	1.8%
Energy	1.7%	1.6%	0.3%	1.6%	2.1%	1.2%	1.7%	2.0%	0.6%	1.5%	0.8%	1.4%	2.7%	1.7%
Wine	3.5%	3.8%	2.8%	2.7%	2.1%	2.4%	2.1%	2.4%	2.4%	2.6%	2.1%	2.1%	1.6%	1.4%
Bottled Juice	3.7%	2.9%	1.8%	1.4%	1.0%	-0.1%	0.1%	-0.2%	-0.1%	0.8%	-0.5%	0.3%	0.5%	0.6%
Spirits	2.2%	3.5%	2.9%	2.9%	2.8%	2.1%	2.1%	2.4%	1.6%	1.7%	1.3%	1.5%	1.3%	0.6%

#8: Is the whiskey lake a real issue?



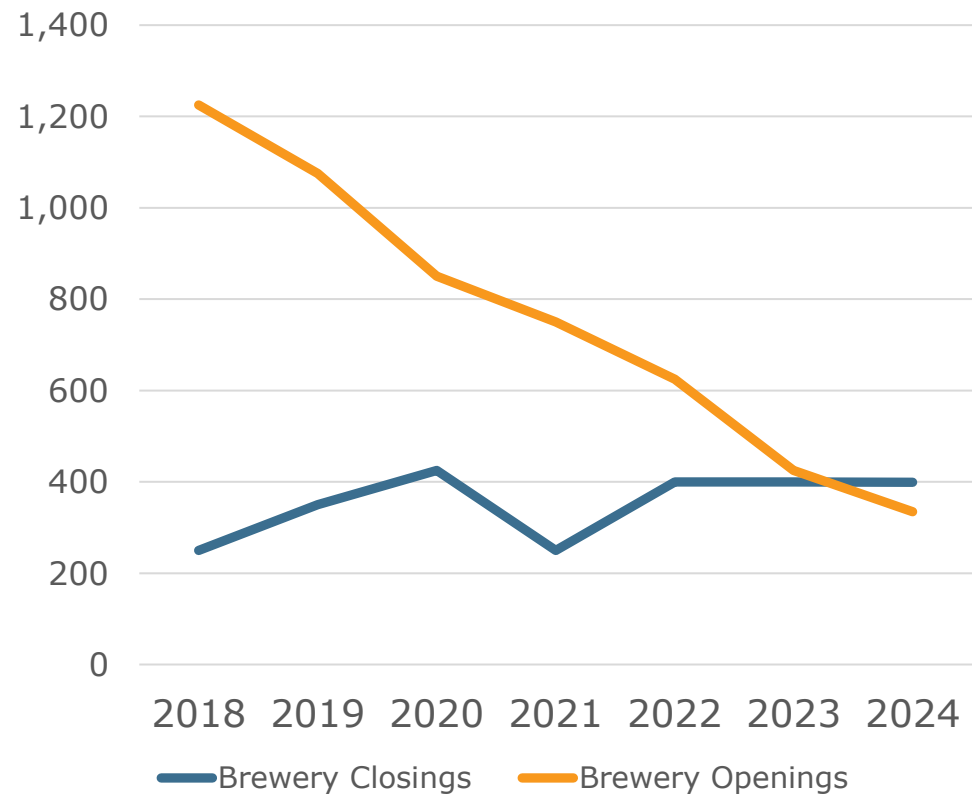
Wholesaler inventory-to-sales ratio, Jan 2014- Nov 2024



Source: Rabobank, US Census Bureau 2025

#9: Is craft beer past peak?

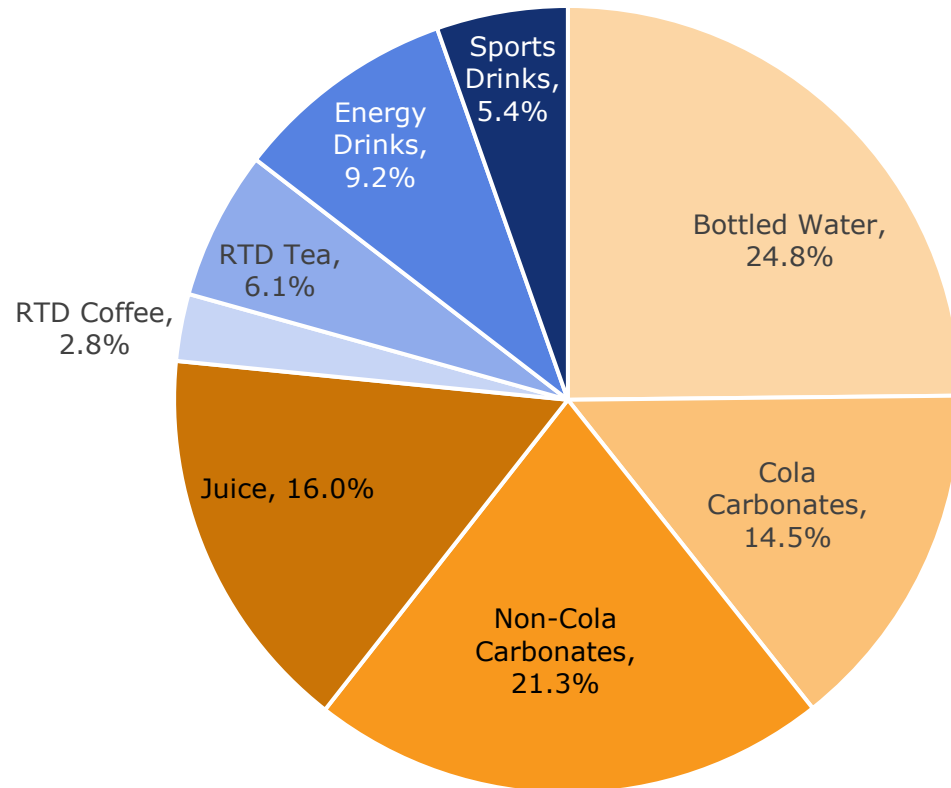
Craft Breweries are Closing



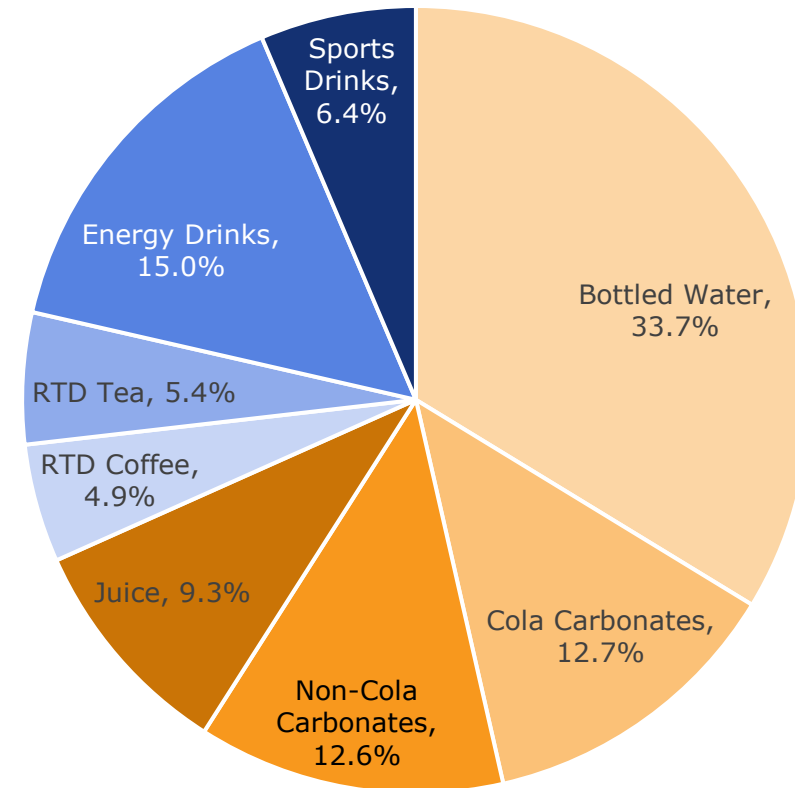
#10: Will brewers continue to push into non-alcoholic beverages?



Current Share of Non-Alc Beverage Sales



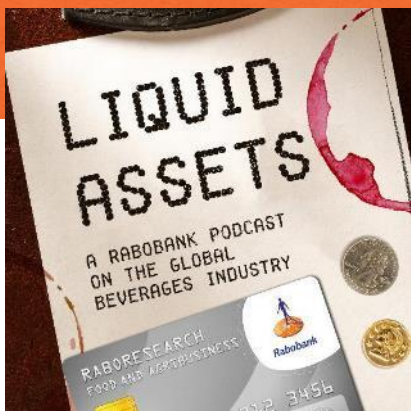
Where 2024-29 Growth Will Come From





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Q&A



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