2024

Year in Review

*Recapping 2024 **Beverage Alcohol** Off Premise Trends*

NIQ Beverage Alcohol Vertical
52 weeks ending 12/28/2024

Note: Calendar Year 2024 timing will not include full impacts from New Years Eve holiday

NielsenIQ

NIQ

Year End Timing:

How does this impact 2024 and 2025 data?

The 2024 Year in Review covers the 52 weeks ending 12/28/2024, aligning with the 2024 Calendar Year in NIQ scan data.

- *In **2023**, the year end period falls on the 30th of the month, which excludes **one key day** for New Year's Eve purchasing.*
- *In **2024**, the year end period falls on the 28th of the month, which excludes **three key days** for New Year's Eve purchasing.*

This timing misalignment between 2023 and 2024 results in the loss of two critical shopping days, particularly for gifting and entertaining, which has the greatest impact on Wine and Spirits. As shoppers tend to purchase in close proximity to the occasion, with the majority of products consume on the same day., these two days are especially important for holiday season trends.

Looking ahead to 2025, the first reporting period of the year (week ending 1/4/2025) will include these three purchasing days, potentially inflating January 2025 sales.

December 2023

S	M	T	W	TH	F	S
17	18	19	20	21	22	23
24	**25**	26	27	28	29	30
31	**1**	2	3	4	5	6

52 weeks ending 12/30/2023

December 2024

S	M	T	W	TH	F	S
15	16	17	18	19	20	21
22	23	24	**25**	26	27	28
29	30	31	**1**	2	3	4

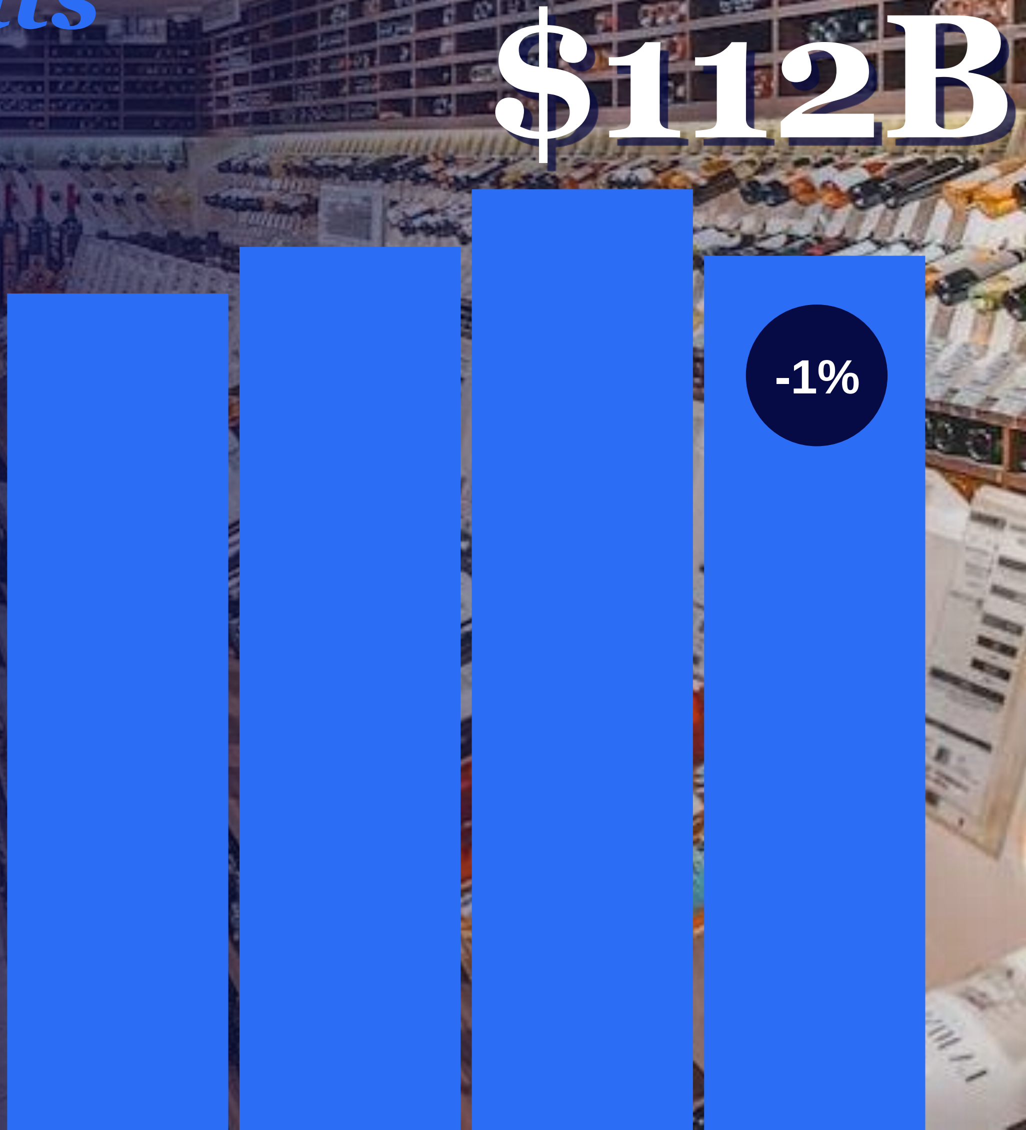
52 weeks ending 12/28/2024

2024 Beverage Alcohol Insights

The past year in **Beverage Alcohol** saw notable shifts in consumption behaviors including increased moderation, premiumization, and the emergence of Gen Z (21+) as a growing cohort in alcohol purchasing. Trends spanned a wide spectrum, from the growth of **Non Alcohol** options to the rise of **High ABV** products. However, in the nearly $112 billion off-premise super category, both value and volume continue to decline. This raises the critical question for 2025: ***where will the volume come from?***

Excluding RTDs, annual growth in both value and volume was not been achieved. **Beer excl. FMBs/Hard Seltzers** shows the largest gap in value and volume (2.2pts), with value down -0.7% and volume down -2.9%. Strong trends in Imports, Non Alc, and Super Prem Beer have helped offset declines in lagging segments. In total **Spirits**, both value and volume show strength, with Spirits RTDs being a significant driver of overall growth. **Excluding RTDs, Spirits** dollars are down -1.1% and volume is down -2.3%. Beyond RTDs, Tequila and Canadian Whisky are performing well, reflecting a continued consumer preference for flavor forward options. **Wine excl. RTDs** is experiencing the steepest declines, with value down -3.5% and volume down -5.3%. However, Wines priced between $15-20, and even up to $25, are defying category trends and continue to resonate with consumers.

RTDs are exceeding $13 billion in off-premise sales, holding a 12% share of total Alcohol dollar sales. This growth is driven by Spirits RTDs and FMBs. Wine RTDs in Tetra packs are carving out success in a niche segment. **Non Alcohol Beer, Wine, and Spirits** are nearing a billion dollars, reaching $823 million). This reflects a continued consumer shift towards moderation in alcohol consumption. Transparency in product labeling is also a key driver, with consumers favoring offerings that highlight social responsibility and “better for you” attributes.



Beverage Alcohol: *What will drive 2025?*

1. **Consumer Recruitment**
Gen Z (21+) will shape their habits and preferences through ties to cultural connections and nostalgia, leaning into high ABV and no ABV products

2. **Health & Wellness Evolution**
Wellness will proliferate in consumer importance, with moderation driving non alcohol sales; consumers will moderate through mindful consumption

3. **Flavor Expansion or Flavor Fatigue**
Ready to Drink flavor forward beverages, though consumers are tired of fruity flavors; successful innovation will go beyond traditional flavors

4. **Economic Headwinds**
Value and volume will face challenges due to evolving economic conditions and the potential impact of tariff implementations

5. **Digital Engagement & the Influence of AI**
Digital experiences and AI will impact shoppers with creativity to enhance convenience, saving shoppers valuable time

NIQ

Topline Trends

2024 Year in Review

Total *Beverage Alcohol* Performance

Off Premise Channels

$112 billion

Dollar sales of total Alcohol in 2024

-0.8%

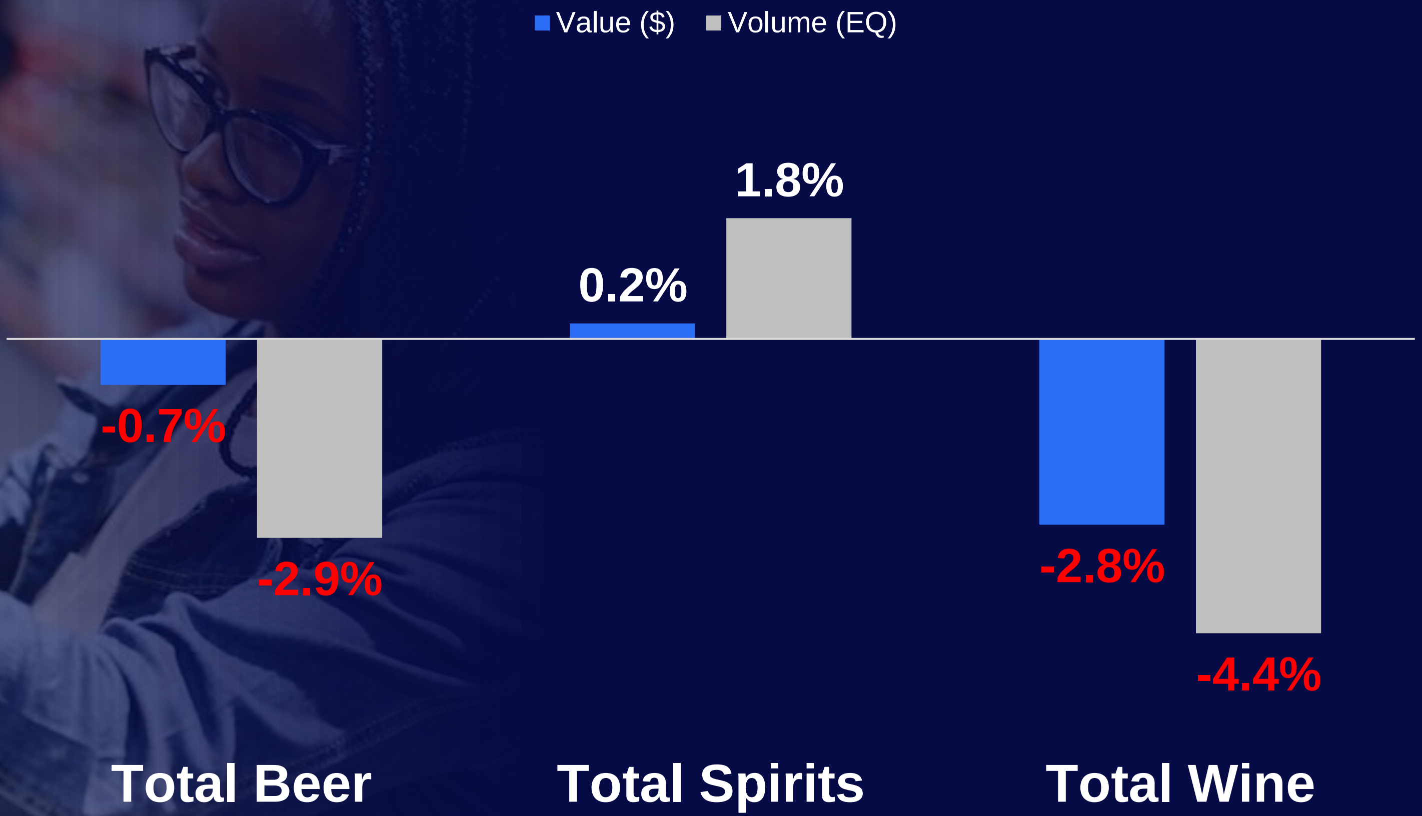
Dollar sales change of total Alcohol in the 2024 vs 2023

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

NIQ

2024 struggled to achieve value and volume sales growth

Beverage Alcohol by Category – Value and Volume Change
NIQ off-premise channels

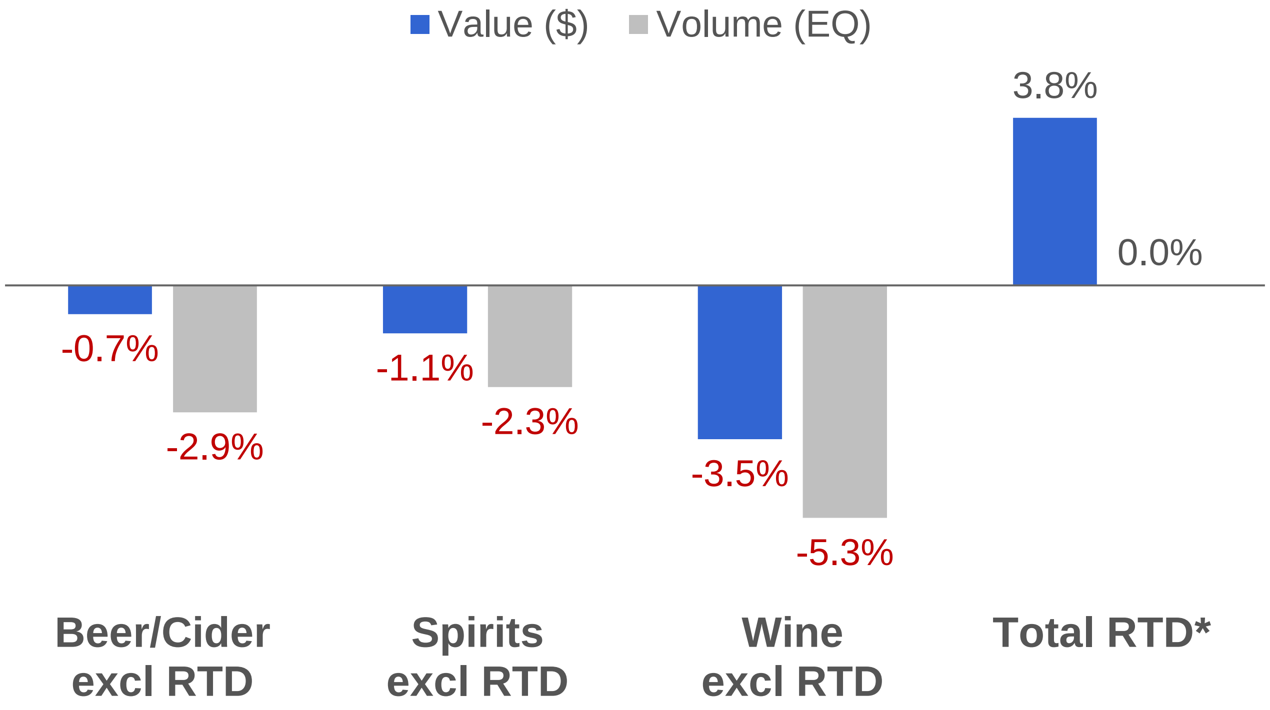


Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs year ago

NIQ

Excluding RTDs, annual growth was not achieved

Beverage Alcohol by Category (excl RTDs) – Value and Volume Change
NIQ off-premise channels



$ Share	Beer/Cider excl RTD	Spirits excl RTD	Wine excl RTD	Total RTD*
	42.2	**27.2**	**19.0**	**11.6**

Dollar sales facing declines, with *volume elusive* across all major BevAl segments

* Total RTD = Seltzers / FMBs / Spirits RTDs / Wine RTDs

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

Conv is driving BevAl off premise dollar growth, while Liquor & Grocery are facing declines

Channel trends: Dollar change vs year ago

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

*Represents "All Other Channels" including Mass Merch, Dollar, Club, Drug, Military, and Other

Alcohol performance varies across key states

Total Beverage Alcohol – Top States*
$ | % Change vs. Year Ago

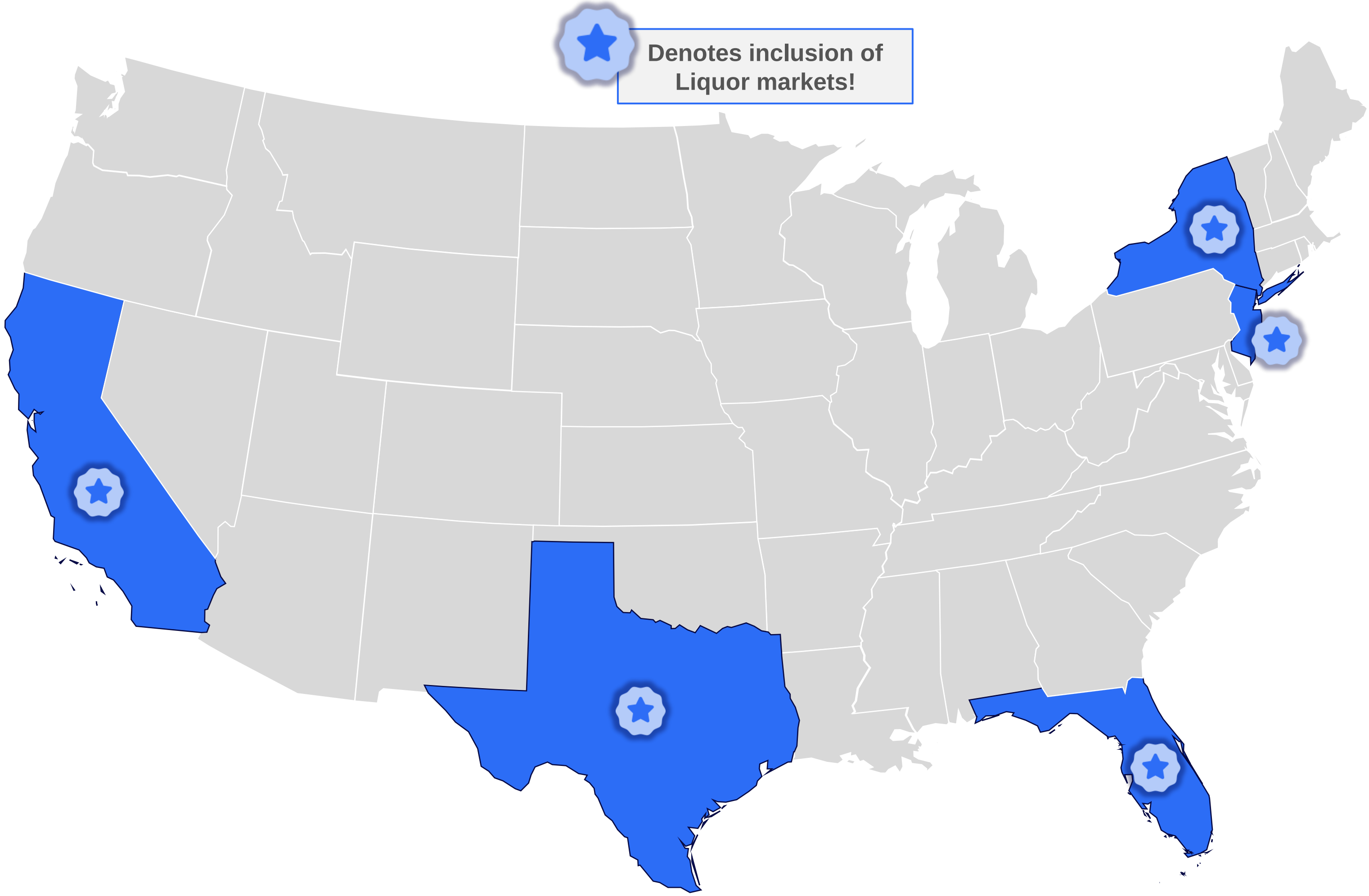
California
$14.6 B | *-1.4% change vs year ago*

Texas
$12.4 B | *-0.9% change vs year ago*

Florida
$9.0 B | *+0.1% change vs year ago*

New York
$6.2 B | *-4.1% change vs year ago*

New Jersey
$3.4 B | *-2.2% change vs year ago*



*California (CA xAOC+CA Conv+CA Liquor); Florida (FL xAOC Census+Liquor Open State+FL Conv; does not include Publix Liquor), Texas (TX xAOC+TX Conv+TX Liquor); New York (NY xAOC Census+NY Conv+NY Liquor); New Jersey (NJ xAOC Census+NJ Conv+NJ Liquor)
Source: NIQ Discover Integrated Database; L52 weeks ending 12/28/2024 vs. year ago

Category Trends

2024 Year in Review

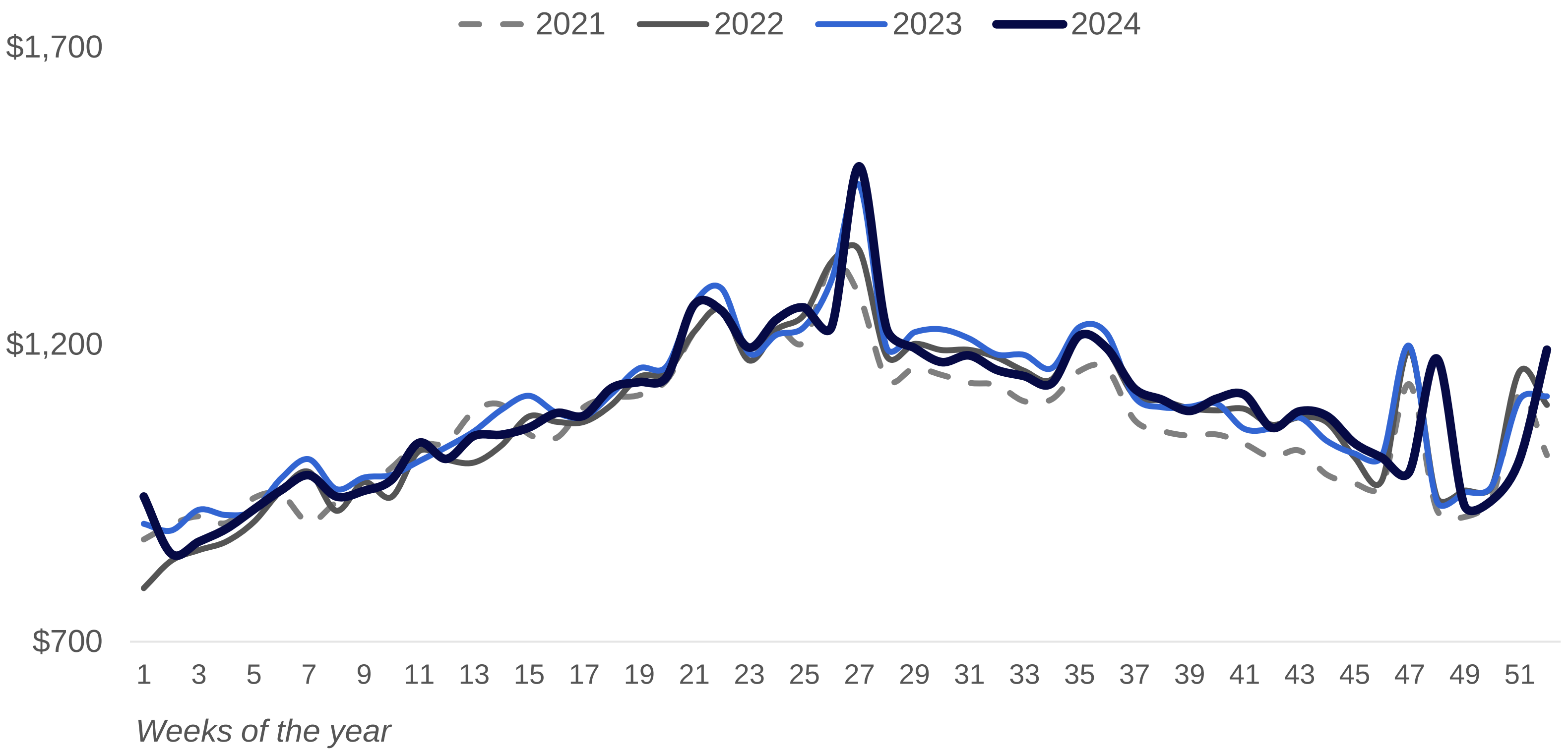
Beer/FMB/Cider dollar trend

Weekly dollars peaked during 4th of July holiday but often fell below 2023 through the end of the year

2024 Off-premise **Beer** down **-0.7%** vs 2023

-2.9% *288oz EQ volume 2024 change vs. 2023*

Total Beer/FMB/Cider weekly dollars (millions)
NIQ off-premise channels



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Weekly Trend

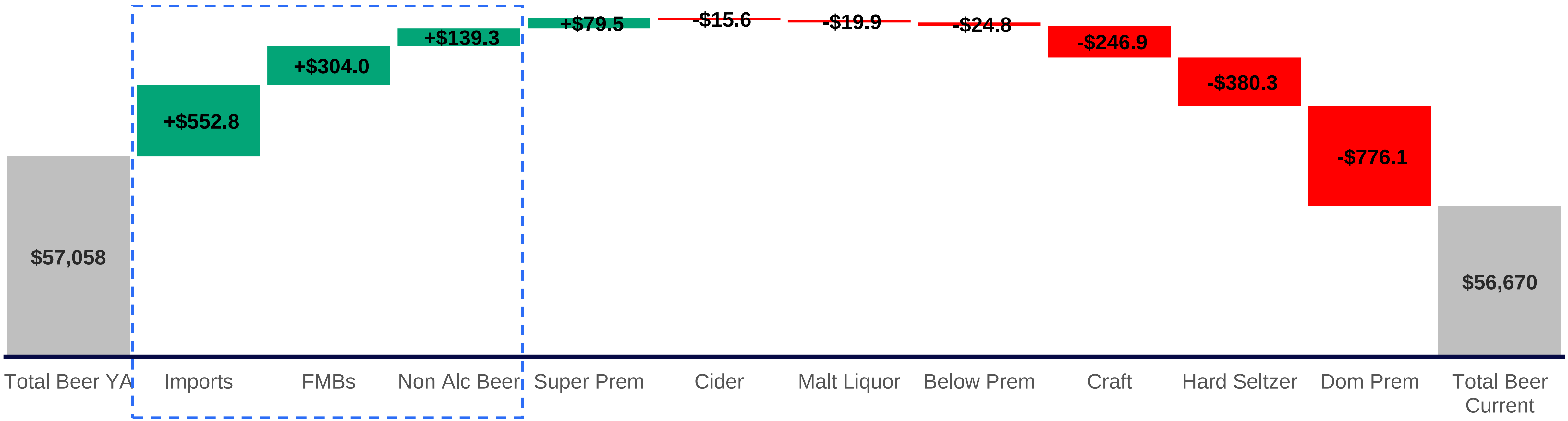
NIQ

Four Beer segments are growing, led by Imports and FMBs; Non Alc Beer trailing just behind

2024 Off-premise Beer down **+0.7%** vs 2023

Beer Subsegments – Contribution to dollar sales (in millions)

NIQ off-premise channels



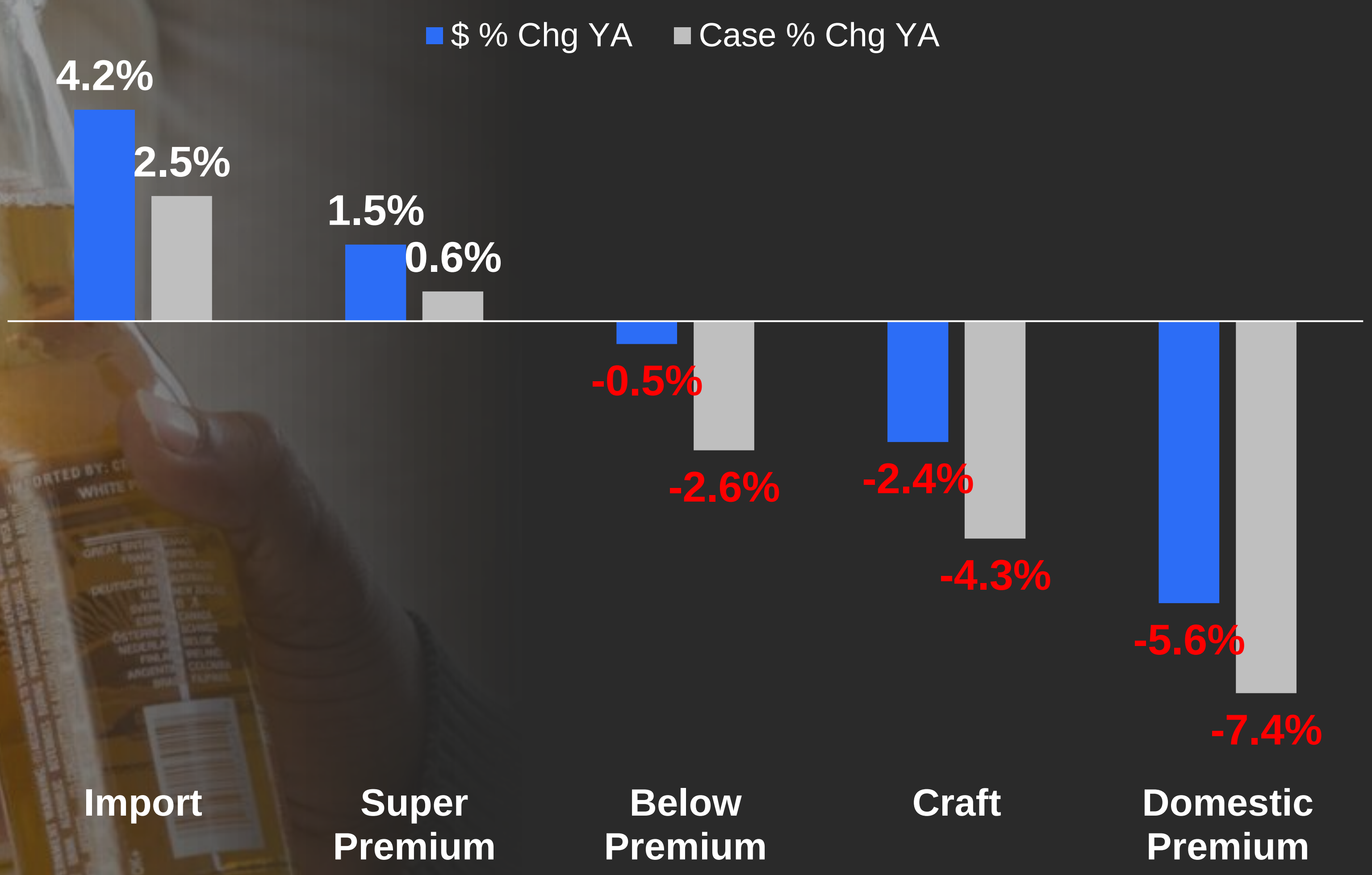
	Imports	FMBs	Non Alc Beer	Super Prem	Cider	Malt Liquor	Below Prem	Craft	Hard Seltzer	Dom Prem
$ % change vs year ago	+4.0%	+5.5%	+25.1%	+1.5%	-2.5%	-3.7%	-0.4%	-3.8%	-9.6%	-5.6%
L52 $ Share of Beer	25.5	10.3	1.2	9.8	1.1	0.9	11.0	10.9	6.3	22.9

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

Non Alc Beer is excluded from subsegments on this slide

Beer Premiumization is driven by Imports & Super Prem

Dollar and Volume Change vs. year ago for Beer Subsegments



	Import	Super Premium	Below Premium	Craft	Domestic Premium
Avg Unit Price Change	+1.1%	+1.7%	+2.3%	-0.9%	+1.1%

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State), Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

*Non Alc Beer is included in subsegments on this slide

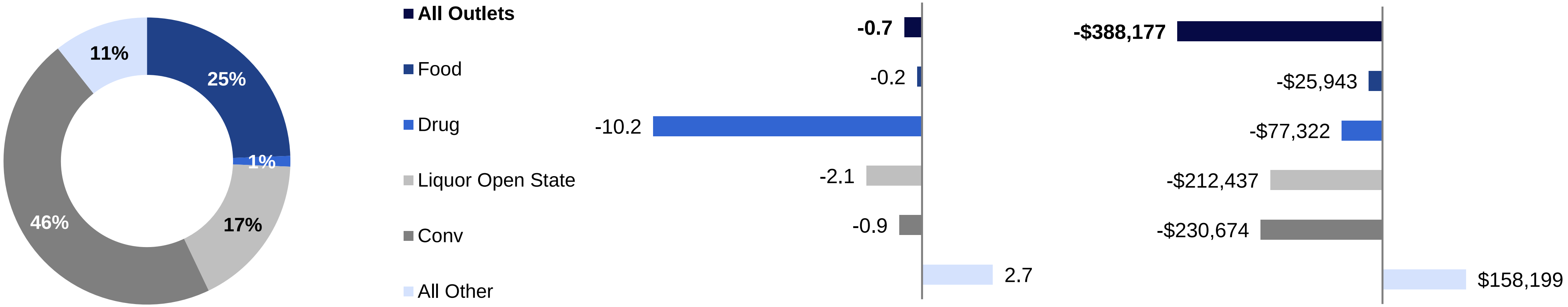
NIQ

Beer/FMB/Cider dollar sales are down +0.7%, with all major channels facing declines

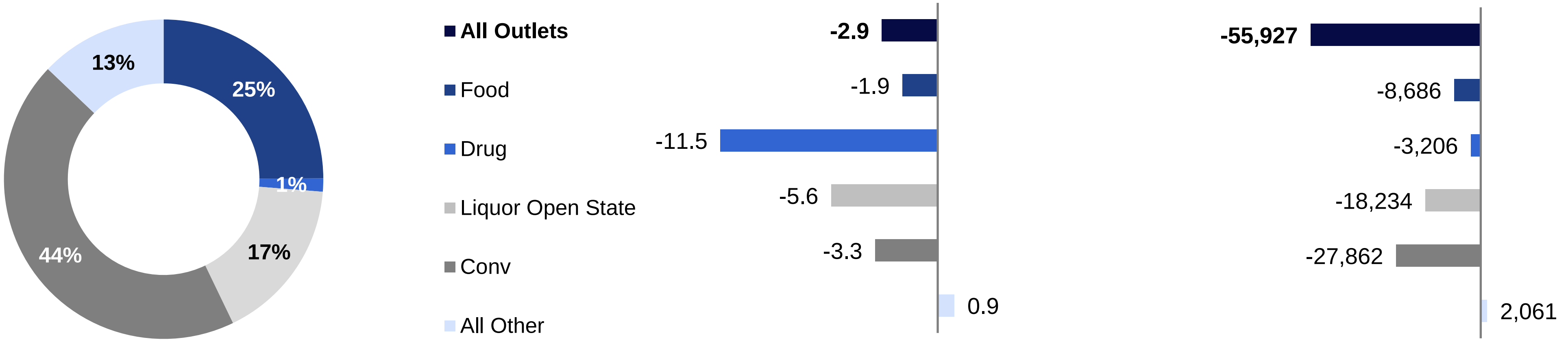
Total Beer/FMB/Cider – Channel share

52 weeks - $ & EQ share *% change vs. year ago* *absolute change vs. year ago (000)*

$ share



EQ share



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

**All other includes Mass Merch, Club, Military, and Dollar channels*

Total Spirits dollar trend

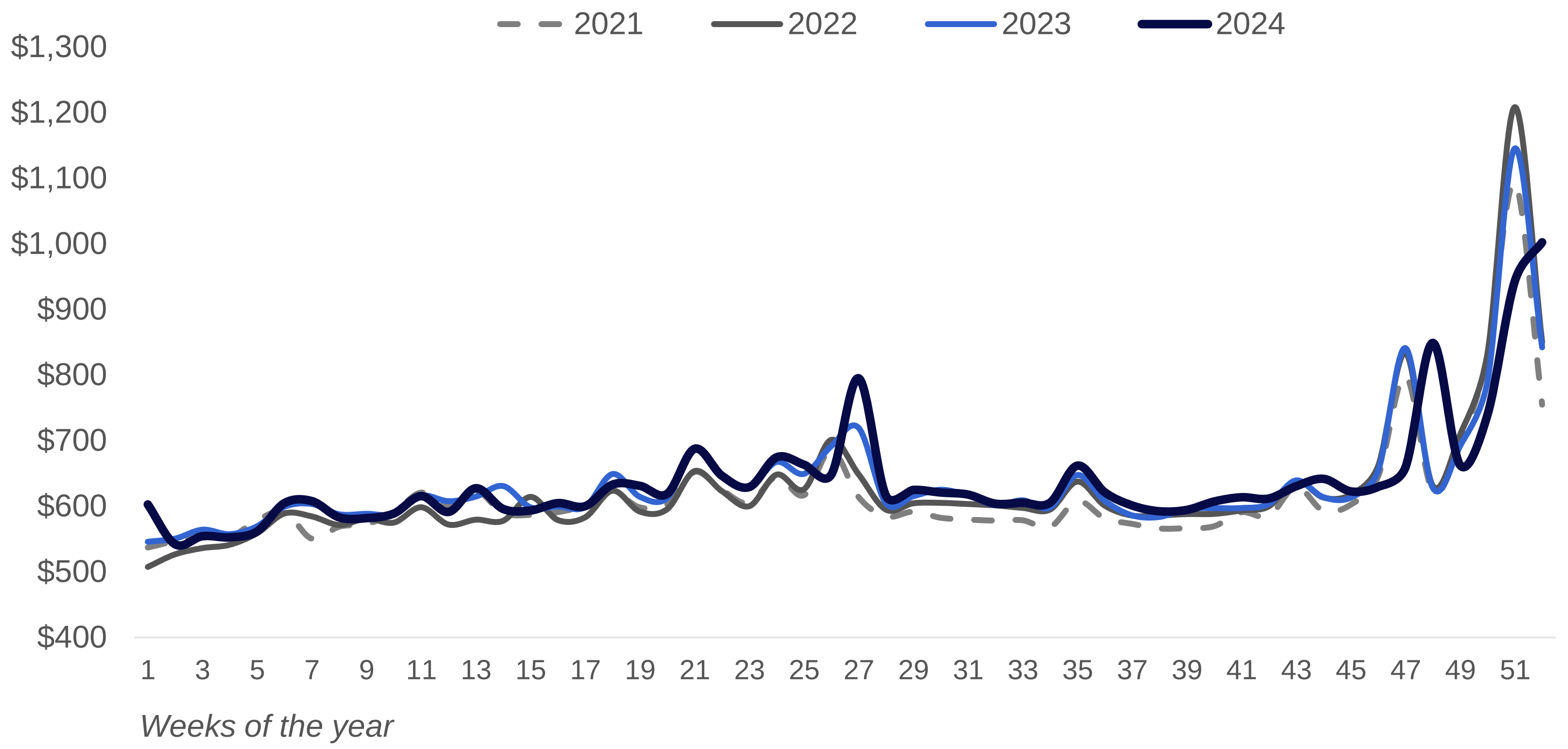
Spirits trending above 2023 comps, but year end weeks falling short from holiday timing

2024 Off-premise **Spirits** up **+0.2%** vs 2023

+1.8% *9L EQ volume 2024 change vs. 2023*

Total Spirits weekly dollars (millions)

NIQ off-premise channels



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Weekly Trend

NIQ

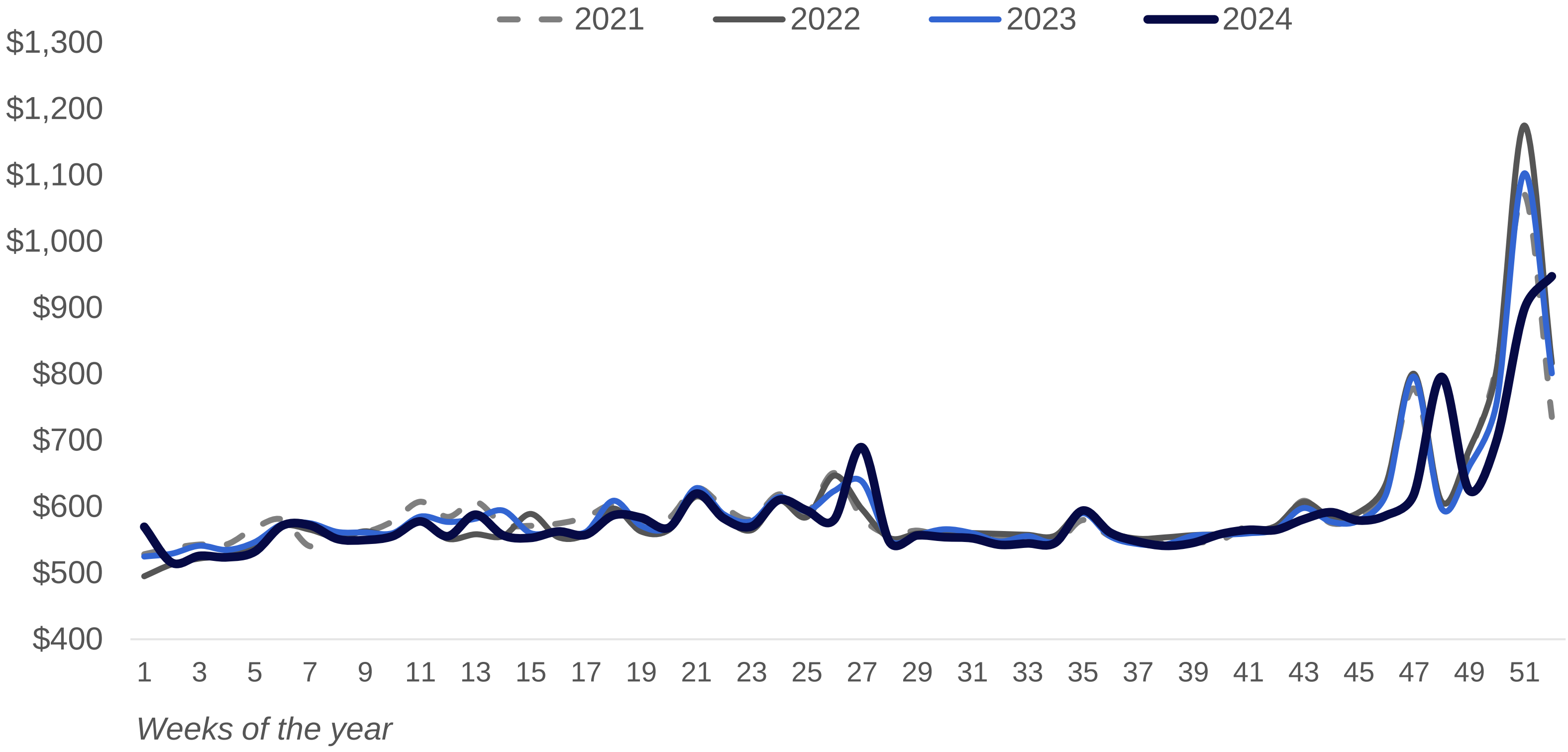
Spirits excl. RTDs dollar trend

Spirits RTDs are aiding to overall Spirits growth; excluding RTDs, Spirits are declining in 2024 vs year ago

2024 Off-premise **Spirits excl. RTDs** down **-1.1%** vs 2023

-2.3% *9L EQ volume 2024 change vs. 2023*

Total Spirits excl. RTDs weekly dollars (millions)
NIQ off-premise channels



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Weekly Trend

NIQ

Spirits-based RTDs and Tequila driving majority of growth for Spirits in 2024

2024 Off-premise Spirits up **+0.2%** vs 2023

Spirits segments – Contribution to dollar sales (in millions)
NIQ off-premise channels

	Total Spirits YA	Spirits RTDs	Tequila	Canadian Whisky	Ready to Serve Cocktails	Non Alc Spirits	All Other	Cordials	Brandy	Gin	Irish Whiskey	American Whiskey	Rum	Scotch	Vodka	Cognac	Total Spirits Current
$ % change vs year ago		+18.9%	+7.3%	+2.5%	+8.0%	+86.0%	-9.9%	-0.7%	-3.7%	-3.2%	-5.4%	-1.3%	-5.7%	-8.1%	-2.8%	-11.2%	
L52 $ Share of Spirits		7.7	16.3	8.2	1.9	0.1	0.4	6.8	1.8	2.4	2.2	18.4	5.0	4.9	19.1	4.7	

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

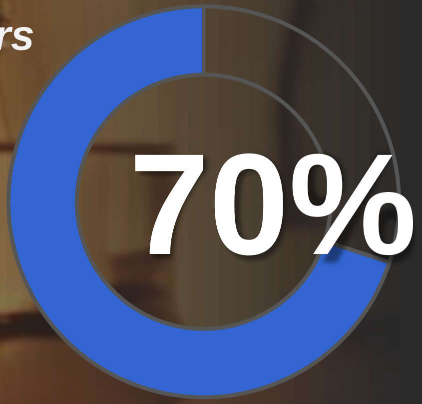
All other includes Grain Alc, Japanese Whisky, and Other Whiskey

Spirits Premiumization is influenced by RTDS

Premium+ shopper repertoire includes RTD now driving premiumization within Spirits

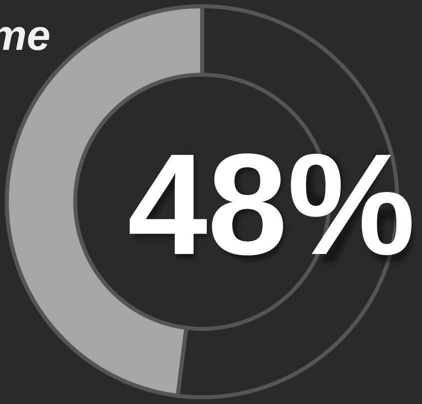
Premium+ Share of Spirits

Dollars



Flat vs year ago

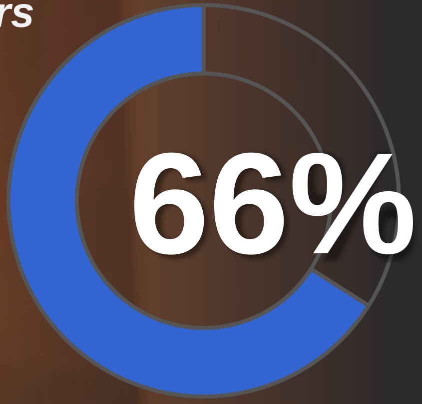
Volume



Flat vs year ago

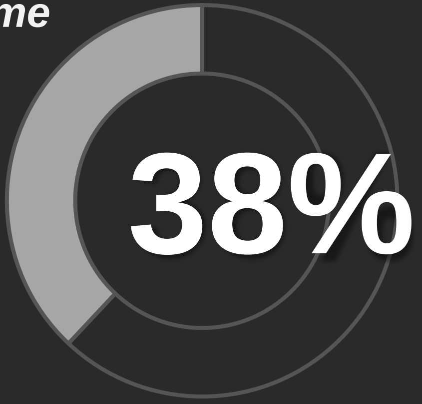
Premium+ Share of Spirits – Without RTD

Dollars



-1% vs year ago

Volume



-1% vs year ago

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

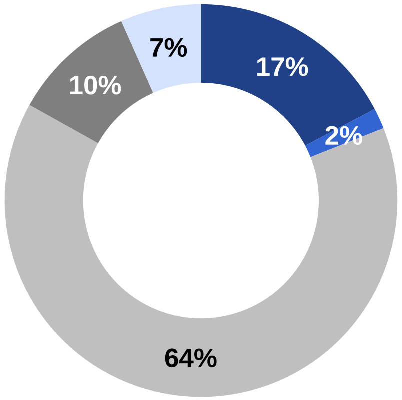
NIQ

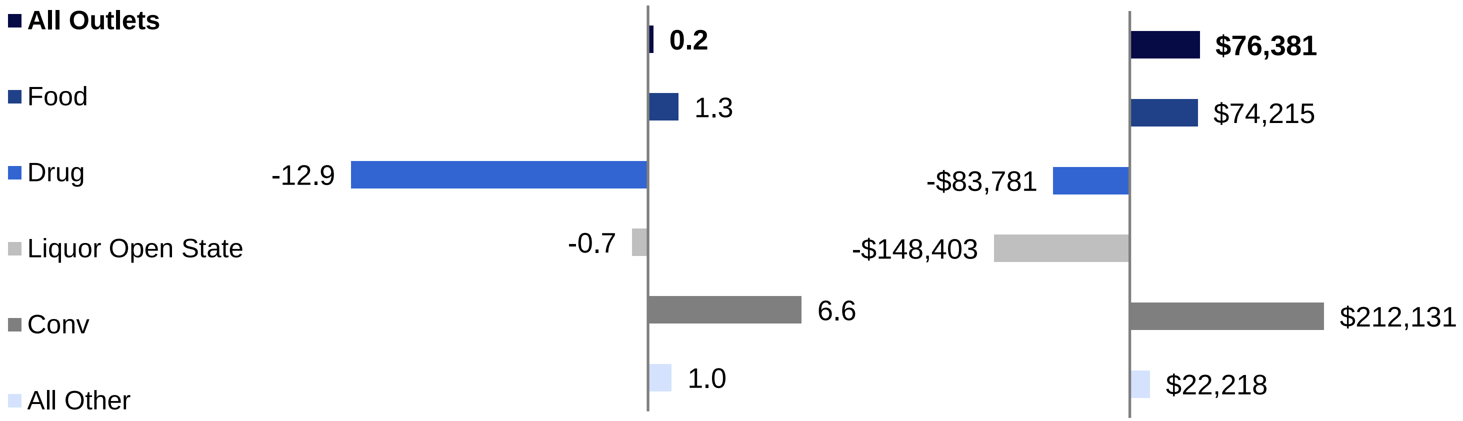
Total Spirits dollar sales are up +0.2%; Convenience and Food channels are the largest drivers

Total Spirits – Channel share

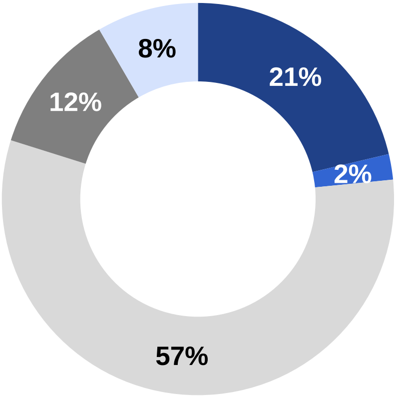
52 weeks - $ & EQ share *% change vs. year ago* *absolute change vs. year ago ($000)*

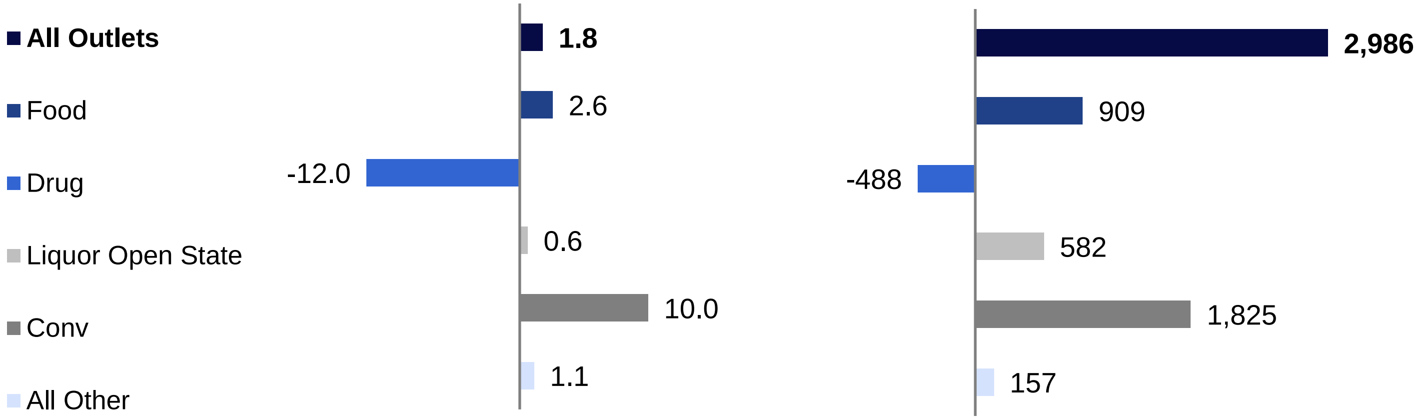
$ share





EQ share





Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

**All other includes Mass Merch, Club, Military, and Dollar channels*

Total Wine dollar trend

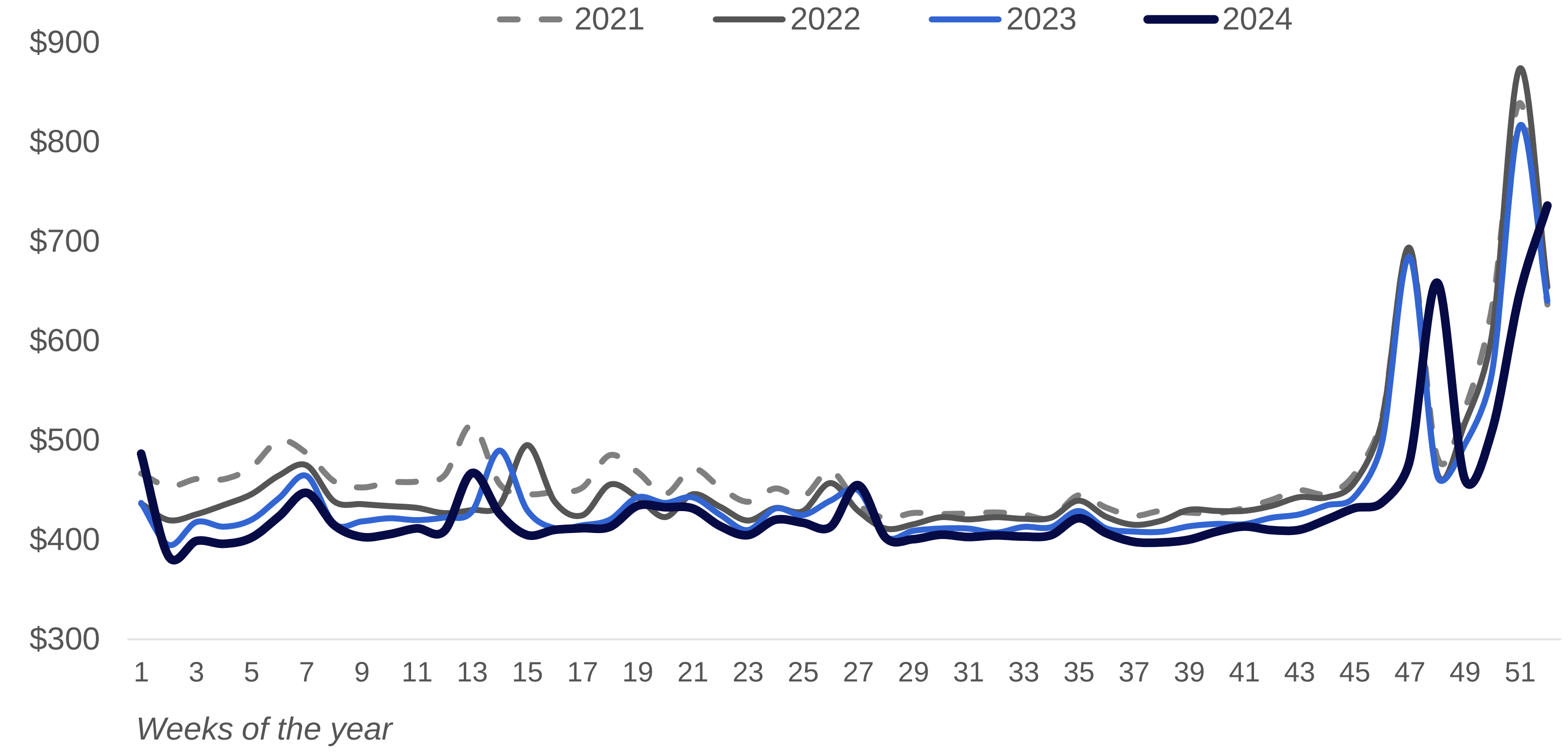
Wine sales falling short throughout 2024, year end weeks falling short from holiday timing

2024 Off-premise **Wine** down **-2.8%** vs 2023

-4.4% *9L EQ volume 2024 change vs. 2023*

Total Wine weekly dollars (millions)

NIQ off-premise channels



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Weekly Trend

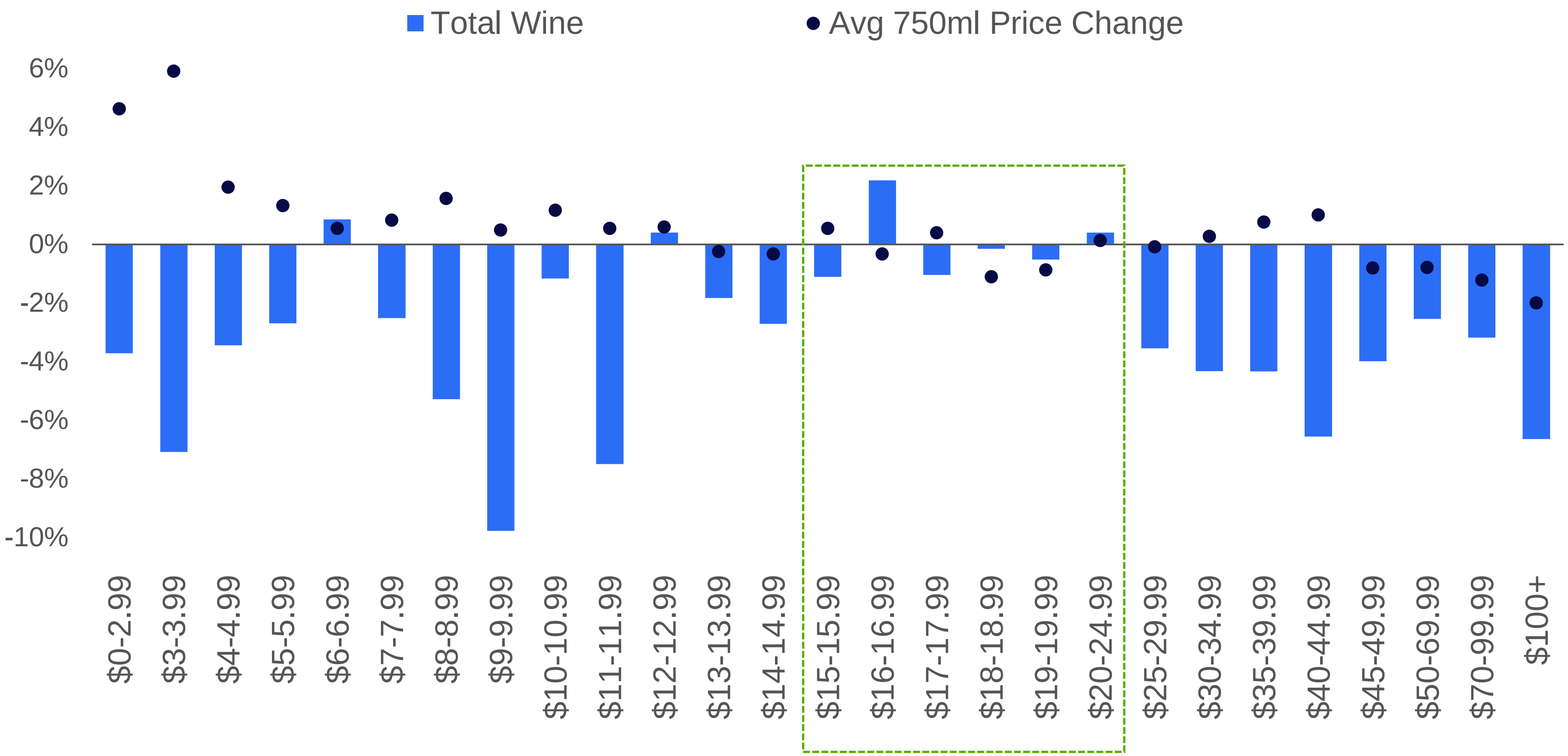
NIQ

Wine pricing – Premiumization as a mind set

Many retailers use $19.99 threshold as a psychological price point for promotions

Total Wine by UPC Price Dollar Change vs Price Change

NIQ off-premise channels



15%

Of Wine is sold is in the $15 - $20 range

$19.99

Continues to be a key retail threshold that consumers recognize as a quality point

Source: NIQ Scan Off Premise Channels; Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

Total Wine in 2024

-2.6%

Sparkling Wine numbers do not include the full week of the New Years Eve/Day holiday

-5.3%
Red Table

-1.6%
White Table

-6.7%
Rose

-4.7%
Sparkling

+2.5%
Prosecco

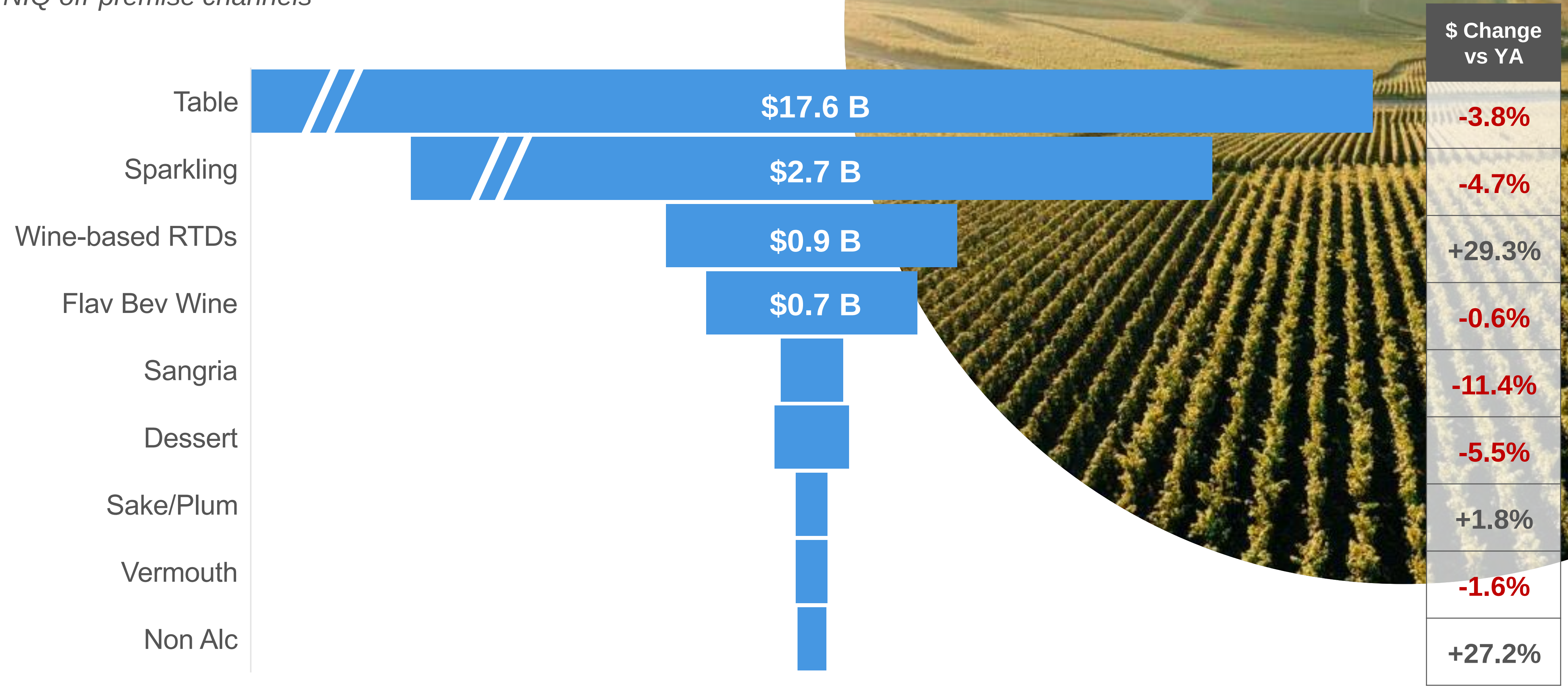
-5.4%
French Champagne

Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

NIQ

Consumer tastes have extensive repertoires with unique segments are growing

Wine by Segment ($MM & Change vs YA)
NIQ off-premise channels



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

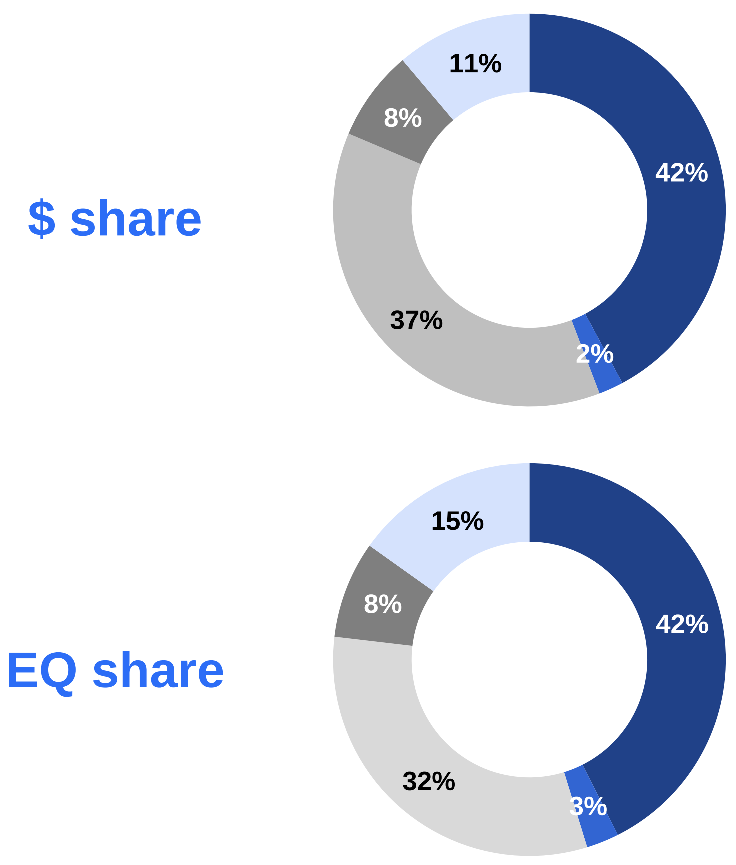
Total Wine dollar sales are down -2.8%, with Convenience bucking the trend

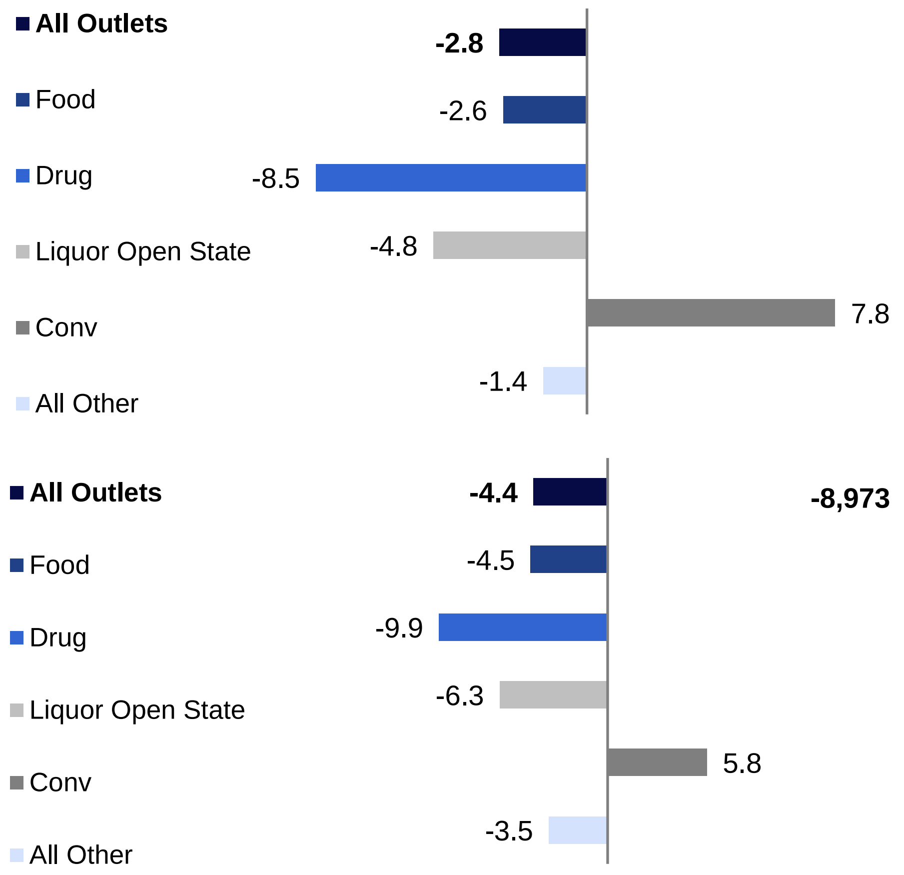
Total Wine – Channel share

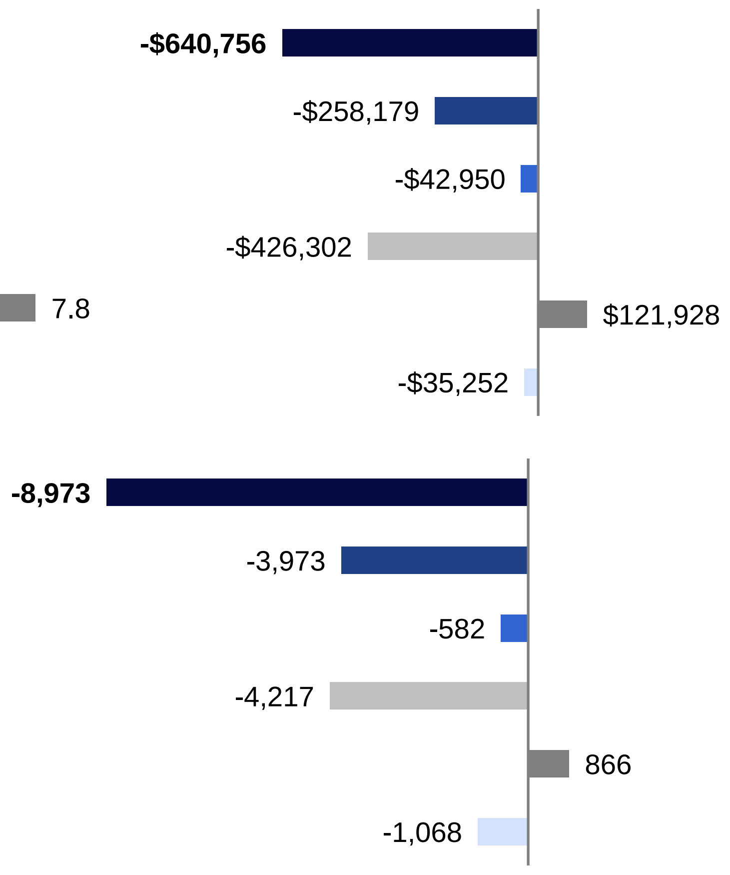
52 weeks - $ & EQ share

% change vs. year ago

absolute change vs. year ago ($000)







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**All other includes Mass Merch, Club, Military, and Dollar channels*

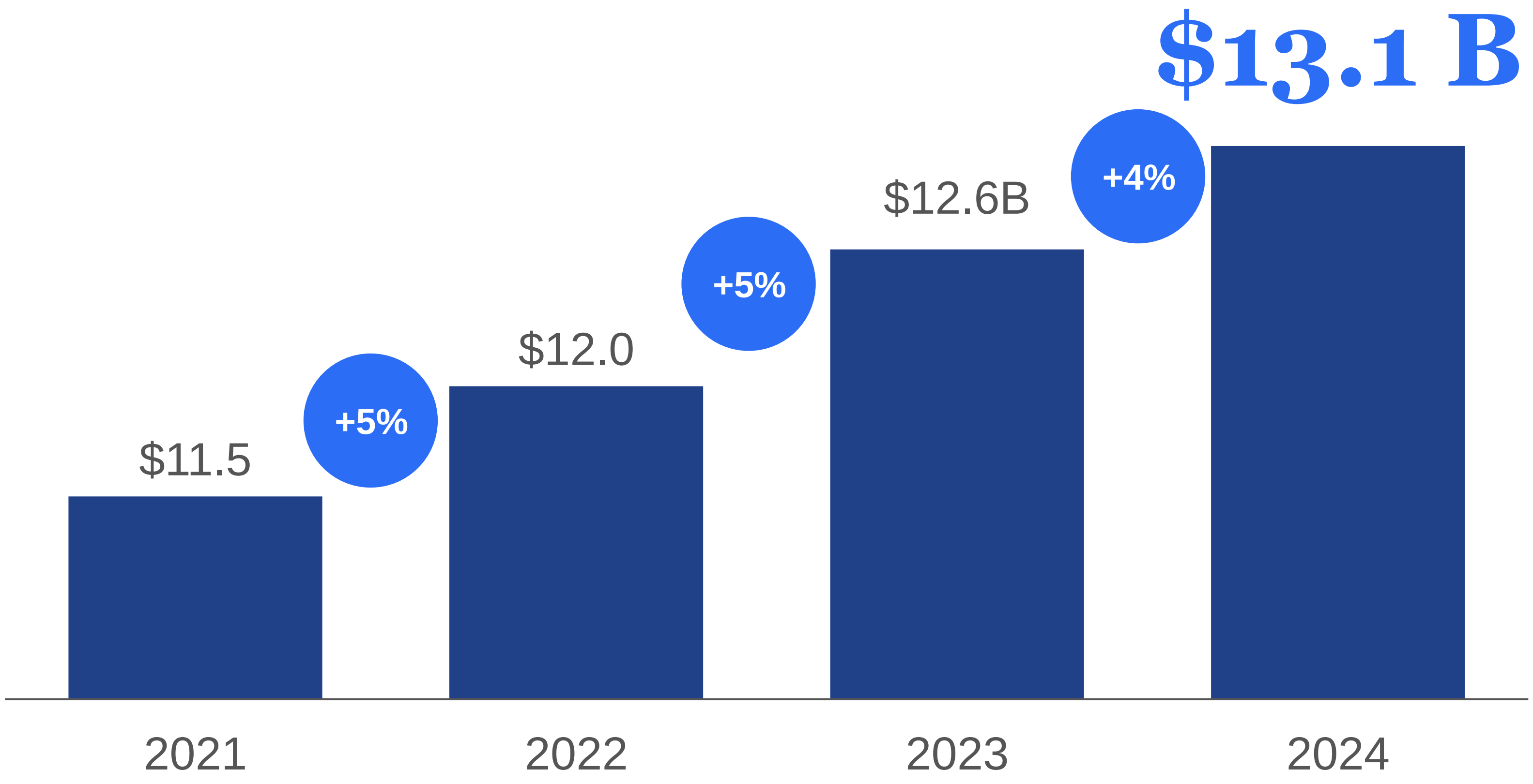
Top Trends

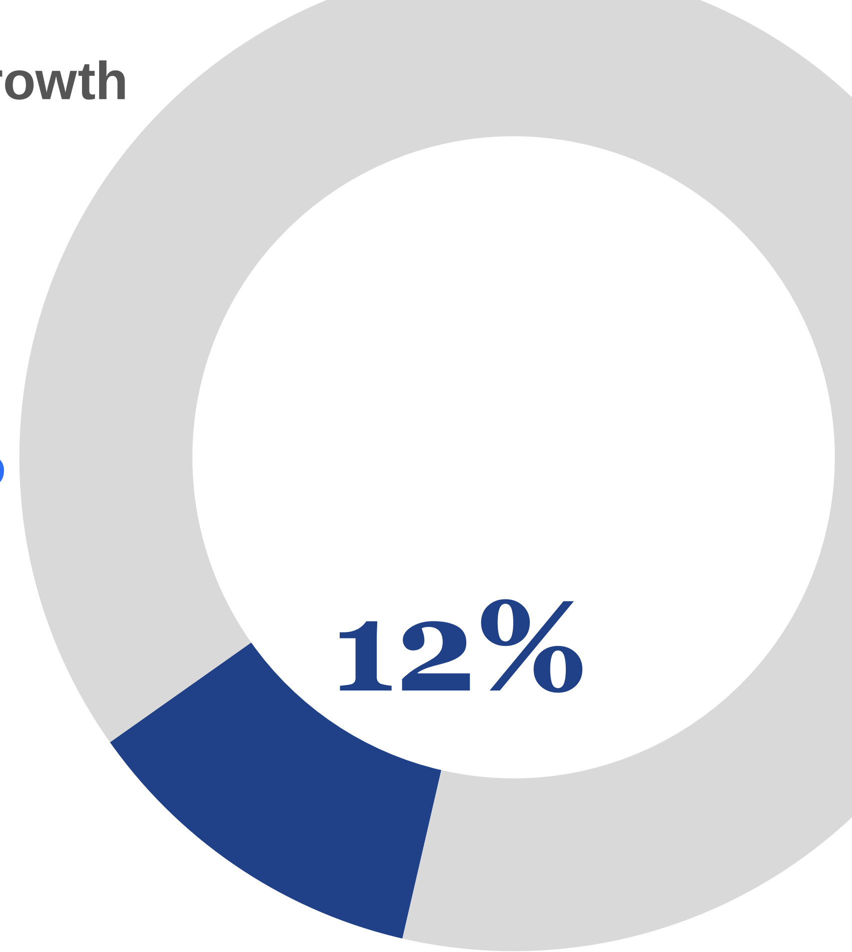
2024 Year in Review

Fourth Category products surpassing $13 billion with strong growth

Many products in this segment are now lapping full distribution comparisons

Ready to Drink Dollar Sales (in Billions) and % Change vs YA
NIQ Off Premise Channels



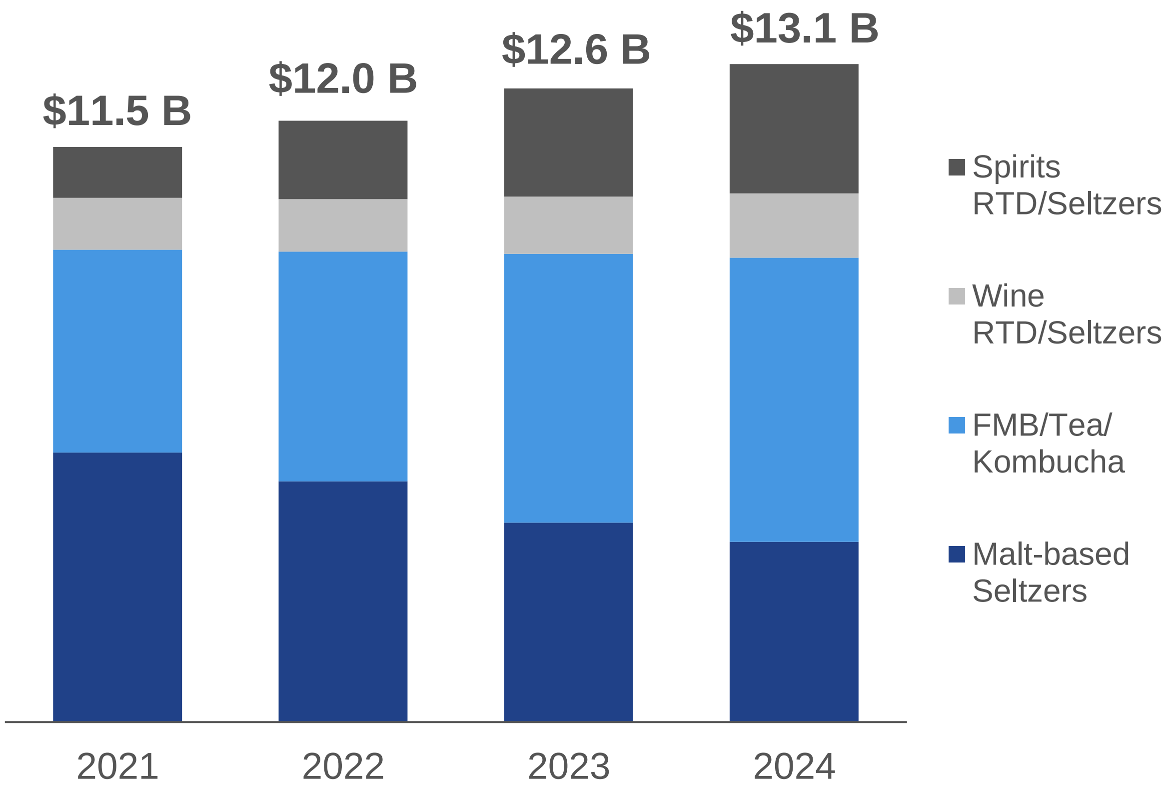


$ share of Total Alcohol

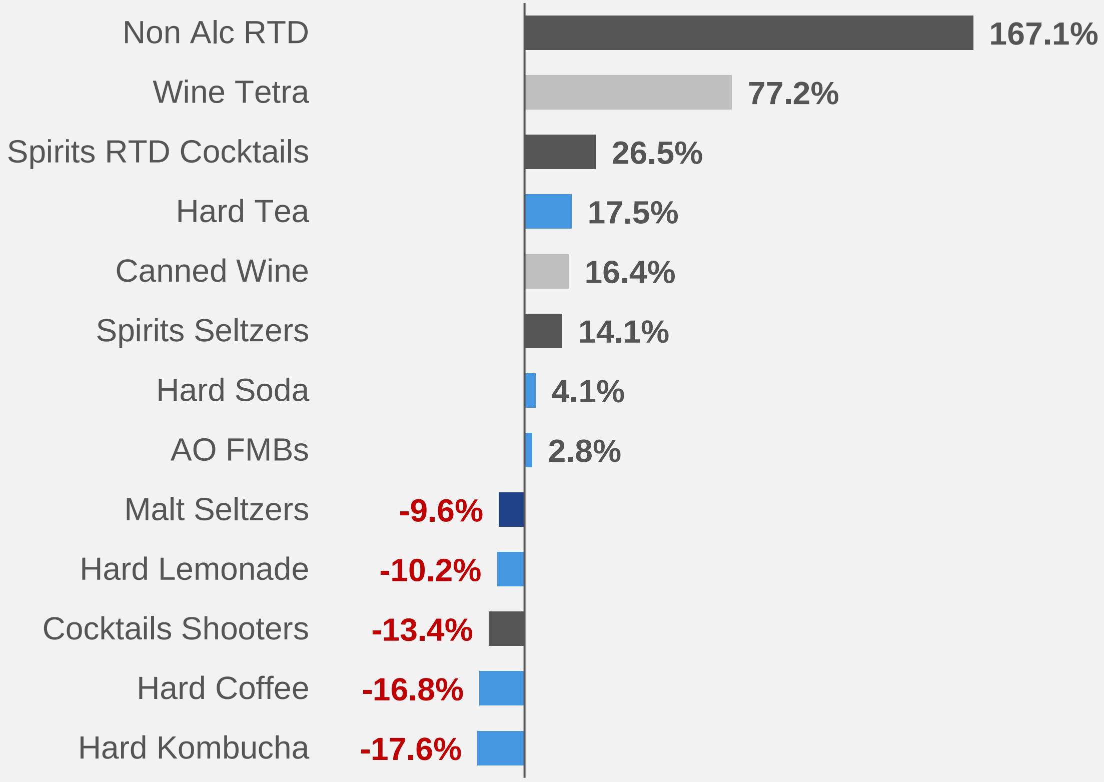
Source: NIQ Discover Integrated Database; Scan Off Premise Channels (xAOC+Conv+Liquor Open State); L52 weeks ending 12/28/2024

Spirits-based RTDs and FMB segments driving growth of RTDs

Total RTD – $ by Alcohol Base
NIQ Off Premise Channels



Total RTD - $ growth by Segment
NIQ Off Premise Channels



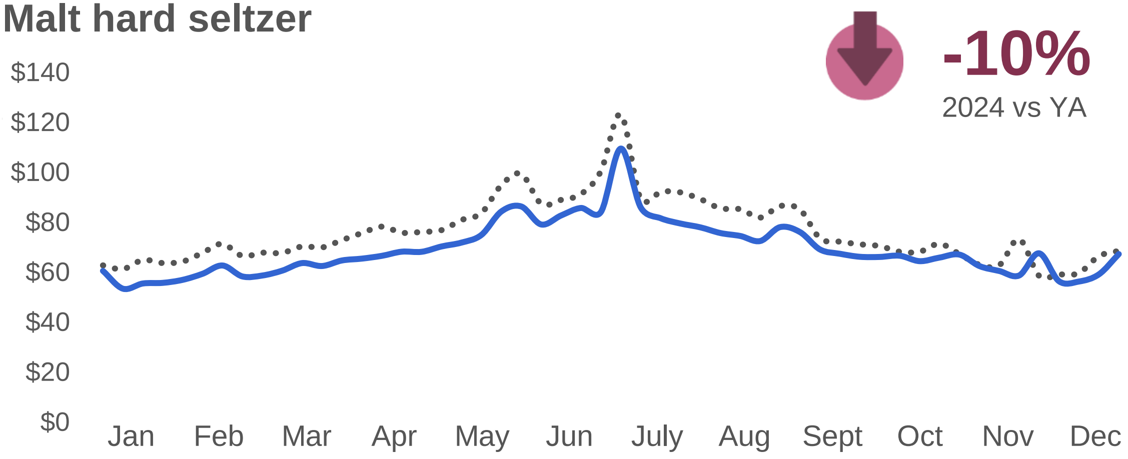
Source: NIQ Discover Integrated Database; Scan Off Premise Channels (xAOC+Conv+Liquor Open State); L52 weeks ending 12/28/2024

RTD segments typically peak during summer months; performance varies by segment

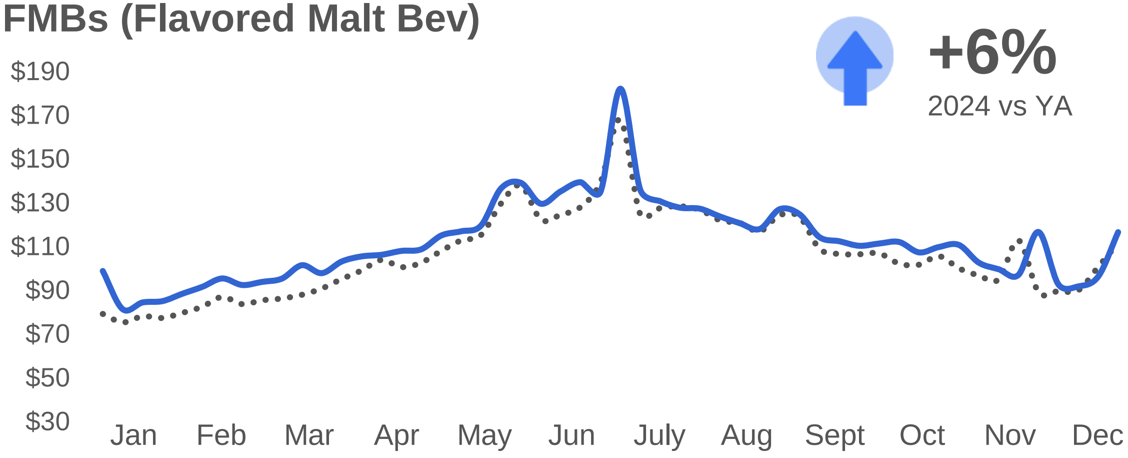
Weekly dollar sales (millions) | NIQ off-premise channels

2022 2023

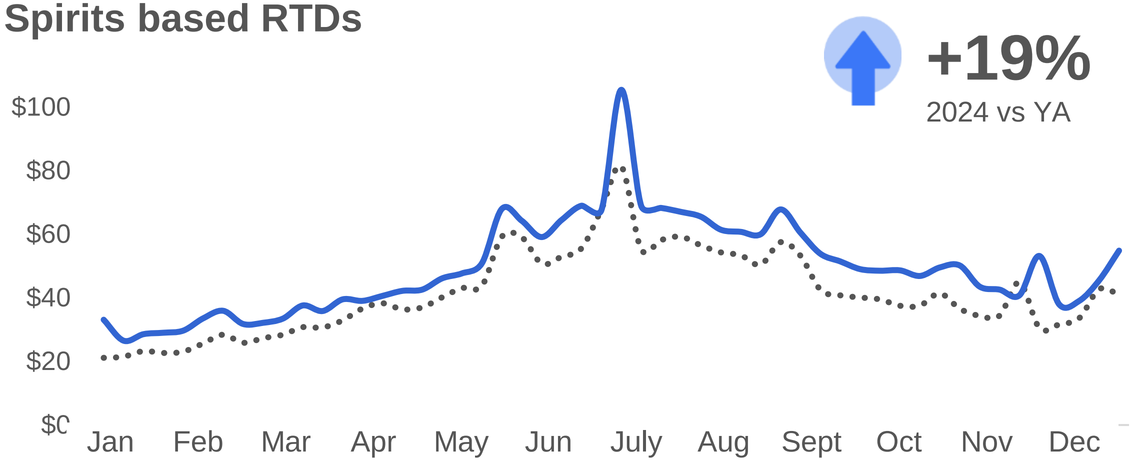
Malt hard seltzer



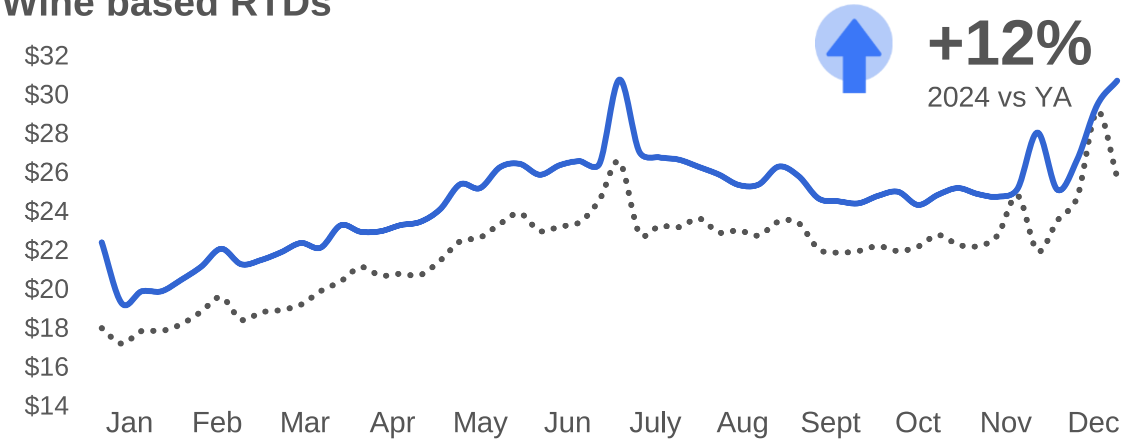
FMBs (Flavored Malt Bev)



Spirits based RTDs



Wine based RTDs



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Weekly data thru week ending 12/28/2024 vs. year ago

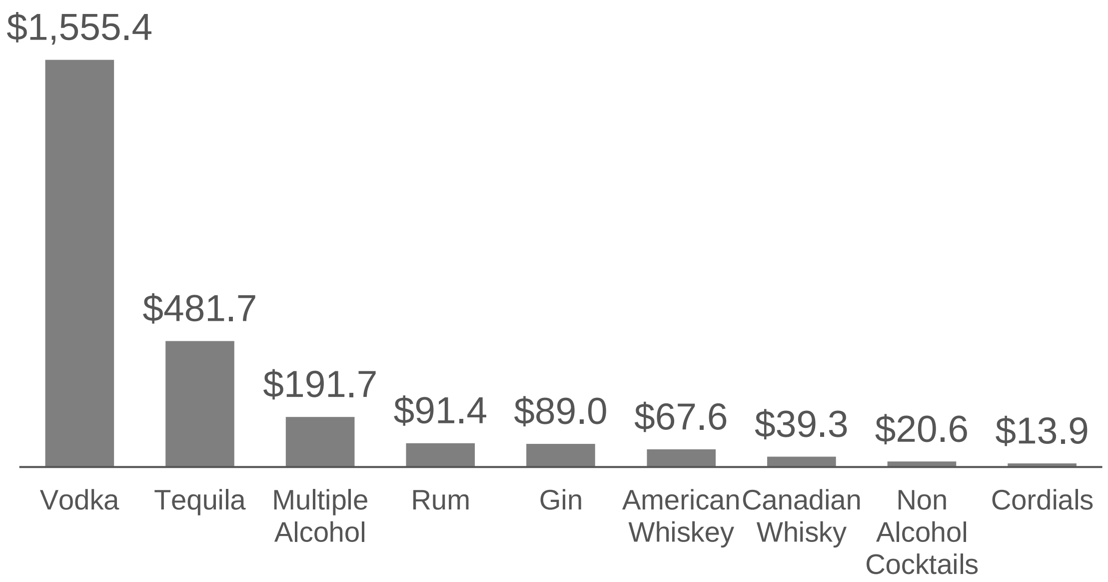
NIQ

Ready to Drink led by Soda/Seltzer Cocktails likely with a Vodka or Tequila base

Simple mixed drinks are a key staple of the On Premise and the translation to RTD cocktails is very clear

Spirits RTDs Total Dollars by Alcohol Base

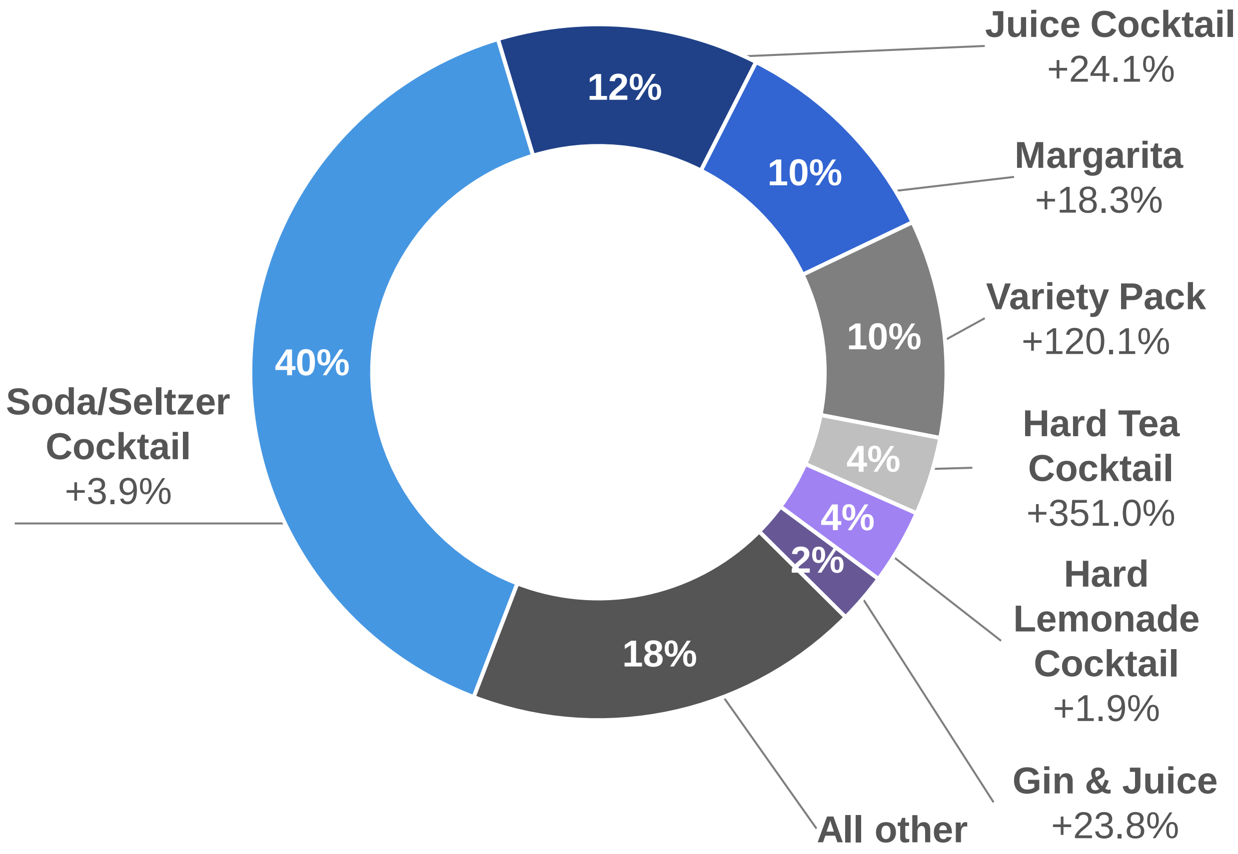
L52 weeks absolute $ (in millions) & % change vs. year ago



$ % CYA	+20.9%	+17.7%	+42.1%	-8.8%	+43.0%	-3.8%	-16.3%	+169.0%	+29.8%

Spirits RTDs Total Dollars by Cocktail Type

L52 weeks dollar share & % change vs. year ago



Source: NIQ Discover Integrated Database; Scan Off Premise Channels (xAOC+Conv+Liquor Open State); L52 weeks ending 12/28/2024

$823M

Off premise **Non Alc sales** in 2024

Up $176.0 million vs year ago | +27.2% vs year ago

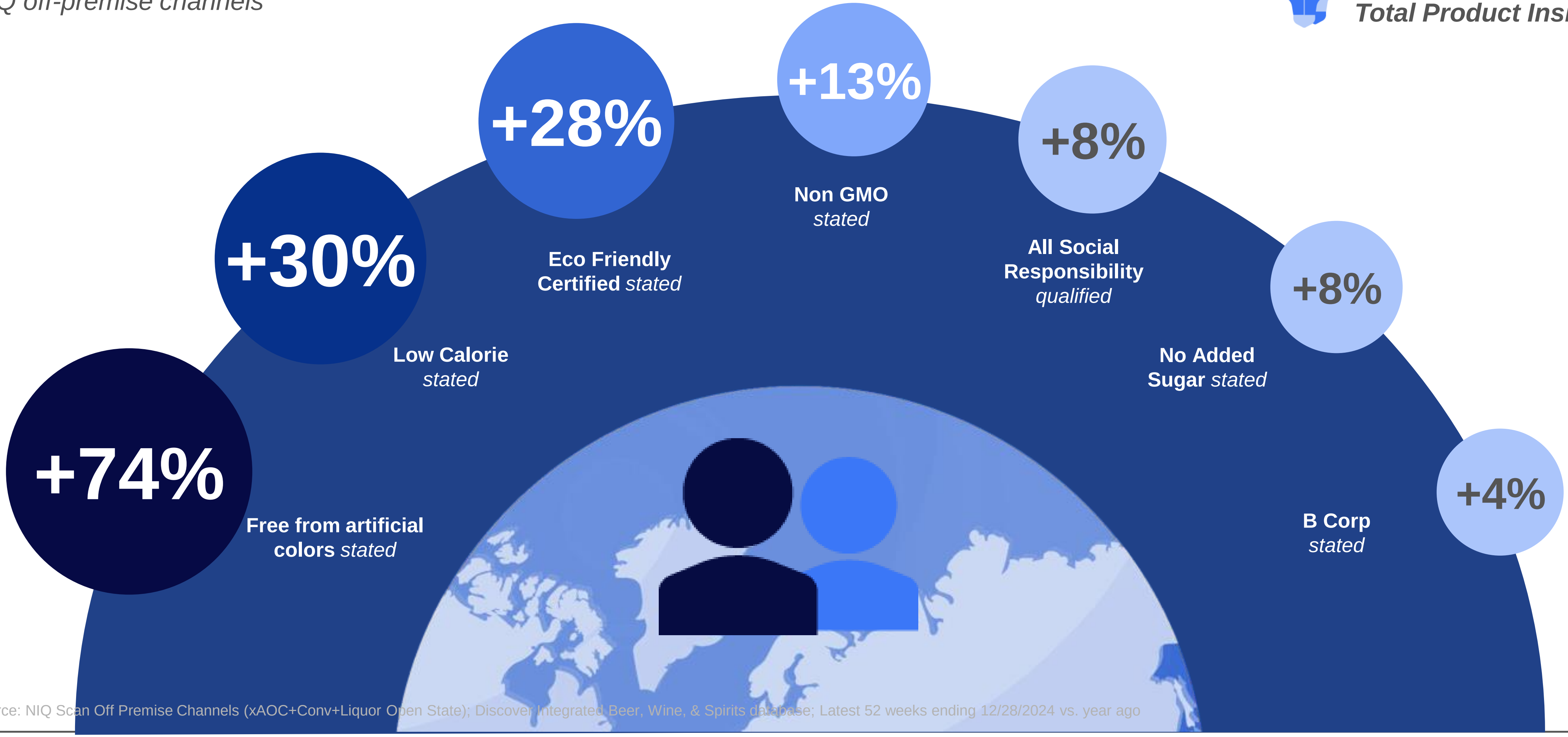
Non alc is 0.7% sales of total alcohol

Source: NIQ Discover Integrated Database; Scan Off Premise Channels (xAOC+Conv+Liquor Open State); L52 weeks ending 12/28/2024

Top Beverage Alcohol wellness attributes span from social responsibility to "better for you"

Trending health & wellness attributes for <u>Total Alcohol</u> – Dollar % change vs year ago
NIQ off-premise channels

*Insights powered by **NIQ Total Product Insight** data*



Source: NIQ Scan Off Premise Channels (xAOC+Conv+Liquor Open State); Discover Integrated Beer, Wine, & Spirits database; Latest 52 weeks ending 12/28/2024 vs. year ago

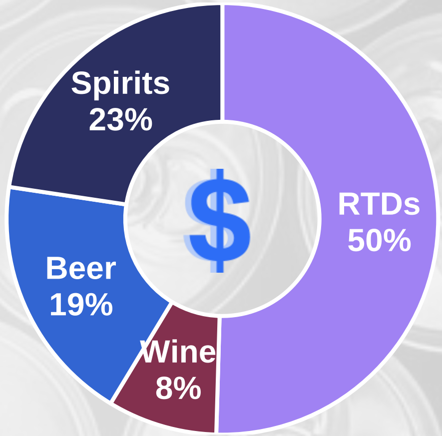
Innovation item launches vary by segment, but half of innovation dollars are driven by Ready to Drink launches

Total Beverage Alcohol Innovation Insights for 2024

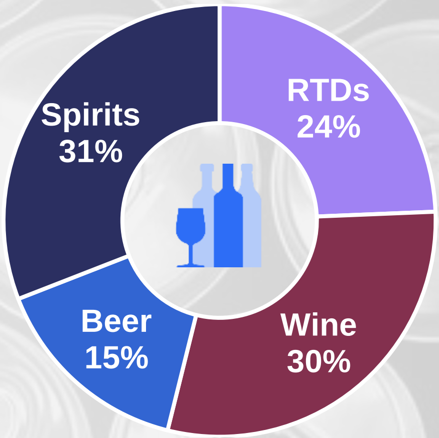
Total Sales	Innovation Sales
$112.5 B	**$2.94 B**
-0.8% vs 2023	-8.1% vs 2023

Innovation Contribution	# of Innovation Items	Innovation Type
2.6%	**3,601**	**77%**
-0.2pts vs 2023	-18.1% vs 2023	are Line Extensions

Category share of <u>innovation dollars</u>



Category share of <u>innovation items</u>



Source: NIQ Innovation Measurement (IM) – Innovation Profiler Scorecard; Latest 52 weeks ending 11/30/2024 vs 12/02/2023

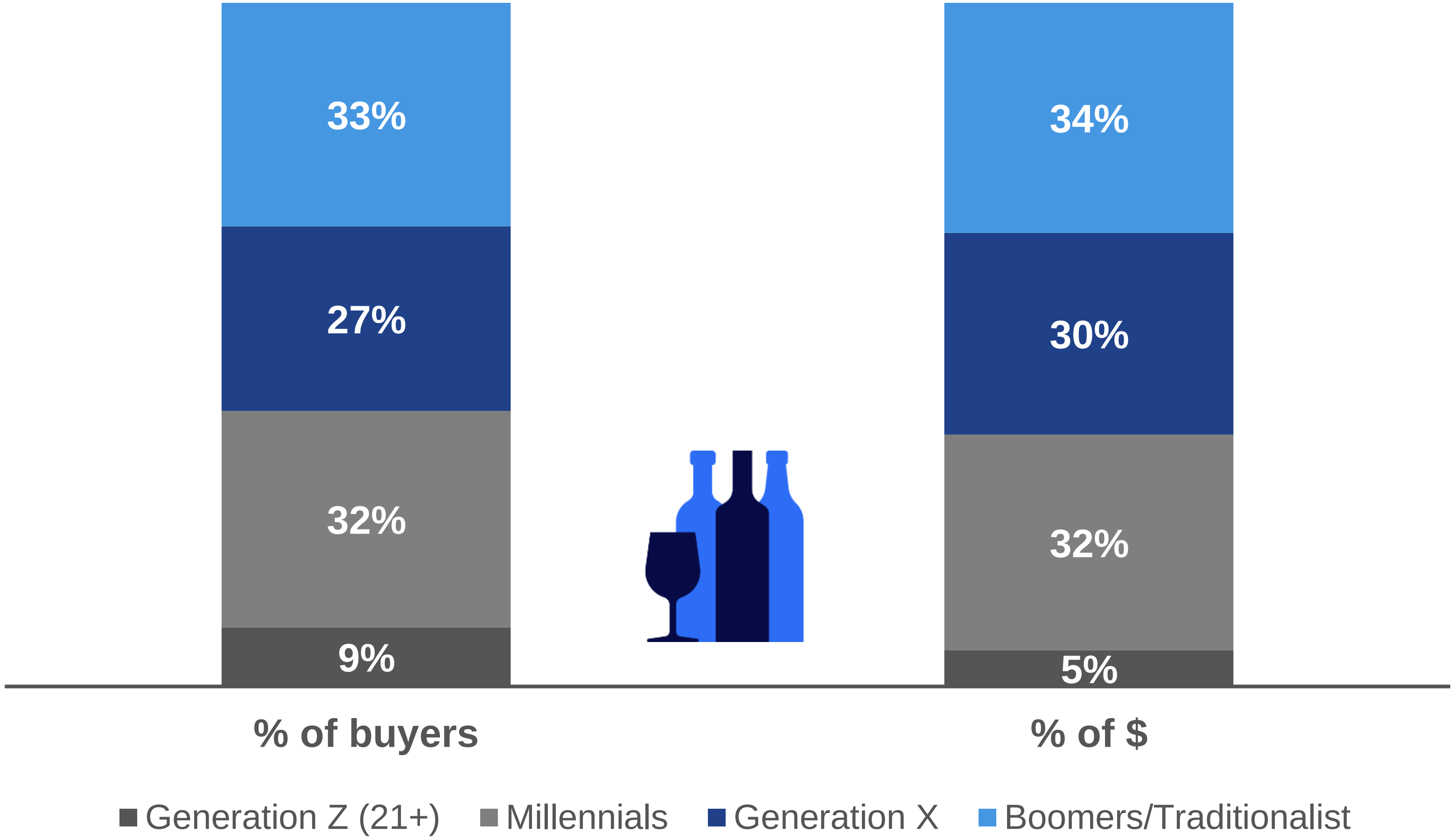
NIQ

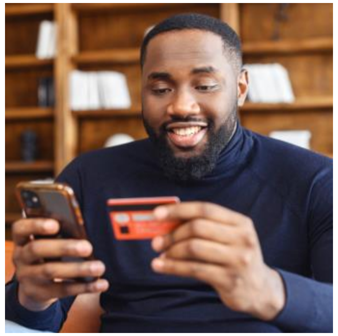
2024 continued to bring new LDA Gen Z to BevAl, but recruitment still poses a challenge

Generational group importance for Beverage Alcohol

Gen Z (21+)

Gen X





Millennials

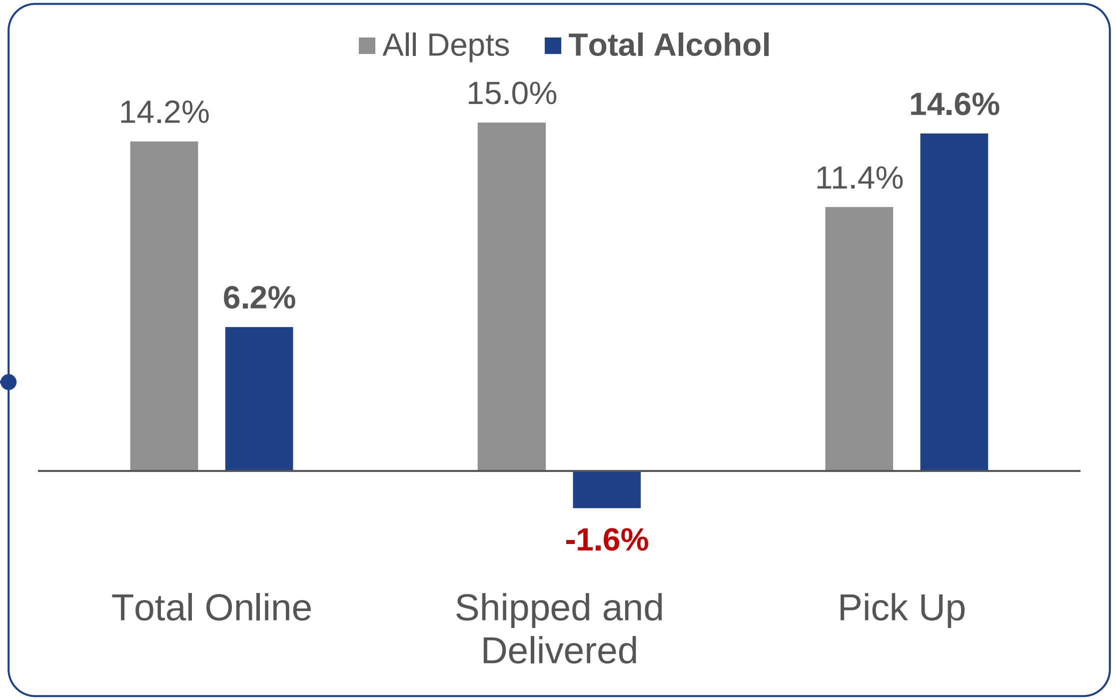
Boomer/ Traditionalist

Source: NielsenIQ Omnishopper, US ALC – Integrated (21+ Only) Database; L52 WE 11/30/2024, Total Outlets, Total US

Pick Up (Click & Collect) method driving online growth for Beverage Alcohol

% sales growth – U.S. Omnisales
Omnisales **=** *In Store + Online*

-1.3% | ***Alcohol Omnisales growth vs. year ago***



Source: NIQ Omnisales, Total U.S. BevAl Markets, Latest 52 weeks ended 11/23/2024 vs. Year Ago

Consumption Behavior Shifts: Increased moderation, premiumization, and the rise of Gen Z (21+) as a key purchasing cohort shaped the year in Beverage Alcohol

Off-Premise Total Alcohol Declines: The nearly $112 billion category saw declines in both value and volume, with RTDs being the exception

Mega Category Trends:

- **Beer (excl. FMBs/Hard Seltzers):** Largest gap in value and volume; Imports, Non Alc, and Super Premium Beer offset declines
- **Spirits (excl. RTDs):** Value dropped and volume declined. Tequila and Canadian Whisky continue to perform well
- **Wine (excl. RTDs):** Steepest declines, with value and volume down all year, though wines priced between $15-20, and even up to $25, are defying category trends and continue to resonate with consumers

RTD Growth: Over $13 billion in off-premise sales (12% of total Alcohol dollars) driven by Spirits RTDs, FMBs, and niche success in Wine RTDs (ex. Tetra packs)

Non Alcohol Growth: Nearing $1 billion in sales ($823 million), reflecting a continued shift in consumers moderating alcohol consumption

Retail Pricing Pressure: Pricing up significantly for beer and consumer elasticity for price has impacted the volume pressures in all alcohol segments

Thank you!

2024 Year in Review

NIQ Beverage Alcohol Vertical
52 weeks ending 12/28/2024

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