

MIXING IT UP

DECEMBER 2019



Based on products shipped in 2018 versus 2017, U.S. alcohol volumes have dropped 0.8%. The world's largest liquor companies and brewers are crafting low- and non-alcoholic options to appeal to the increasingly powerful millennial demographic.



NEW ON THE MENU

Spirits continue to be the preference over beer and wine, particularly with millennials seeking innovative products and craft cocktails created by master mixologists. Per a report from the Distilled Spirits Council of the United States (DISCUS) earlier this year, the spirits industry has enjoyed nine consecutive years of record spirit sales and volumes—and there's no sign of that trend slowing down.

Source: Forbes.com



▲ **1.9%**
PRODUCTS SHIPPED
2018
Compared to 2.2% in 2017

Source: IWSR



▲ **5.9%**
AMERICAN WHISKEY
SUPPLIER VOLUMES
2018
Rise driven by Bourbon
and Tennessee whiskey

Source: DISCUS



▲ **37%**
HIGH-END WHISKEY

Source: DISCUS



▲ **136%**
SUPER-PREMIUM WHISKEY
SUPPLIER REVENUES
2013 to 2018

Source: DISCUS

TEQUILA ON THE RISE

Tequila sales have steadily been on the rise. And, while premium and value brands have always been the highest contributors sales wise, more and more consumers are shelling out for more expensive bottles of their favorite agave-based spirit.



▲ **158%**
GROWTH RATE
AVERAGE 6.1%
PER YEAR
Since 2002



18.5M
NINE-LITER CASES SOLD
VALUE OF \$3.4M
2018

Source: DISCUS



▲ **430%**
HIGH-END BRANDS
VOLUMES
Since 2002



▲ **893%**
SUPER-PREMIUM BRANDS
VOLUMES
Since 2002

CLEAR-CUT LEADER

Vodka remains one of the pillars of the spirits industry, with 32% of all liquor sales coming from this renowned, clear spirit. With such a large piece of the pie, it's not shocking to see that revenue in the vodka segment is in the tens of billions.

Source: Statista.com



▲ **3.3%**
PROJECTED
ANNUAL MARGIN
CAGR 2019-2023



\$46.7B
VODKA
REVENUE
2019



72.5M
NINE-LITER
CASES SOLD
VALUE OF \$6.4B
2018

Source: DISCUS

GRAPES O' PLENTY

Much like the tequila and vodka segments, wine buyers are also reaching for higher-priced wines, which has naturally contributed to growth in revenue for wineries, wholesalers, and retailers alike. The growth is consistent and strong, and is expected to continue its upward trend.



\$450.6B

GLOBAL WINE MARKET
Expected by 2024

Source: Mordor Intelligence

WINE PRICES: (August 2019, YOY)	SALES	VOLUMES
\$25+	▲ 3.2%	▲ 0.6%
\$20-\$24.99	▲ 6.5%	▲ 5.2%
\$8-\$10.99	▼ 1.7%	▼ 2.3%



▲ **14.2%**
PROSECCO SALES
\$347M
August 2019, YOY



▲ **21.4%**
ROSÉ SALES

Source: Nielsen

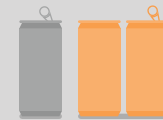
A LITTLE FLAT

The beer market has taken a hit as of late, partially due to the aforementioned preference of spirits by millennials, overall consumer habits, as well as the ever-growing hard seltzer category. While stagnant, low-alcohol beer products have kept overall numbers afloat.



▼ **1.5%**
U.S. BEER
VOLUMES

Source: IWSR

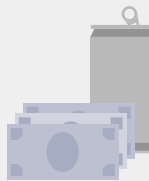


▲ **200%**
HARD SELTZER SALES
SURPASSED \$1B
August 2019, YOY

Source: Nielsen

OVER A BARREL

Over the course of the past couple years, American alcohol makers have dealt with rounds of escalating tariffs, with aluminum tariffs impacting brewers substantially. While partial relief was felt in 2019, another \$7.5 billion in tariffs was authorized on European goods this past October, including Irish whiskey and European wines.



\$350M
ANNUAL COSTS
TO BEER BREWERS
DUE TO ALUMINUM TARIFFS
Since June 2018

Source: Beer Institute



~**63%**
AMERICAN WHISKEY
EXPORTS TO THE EU
FACED RETALIATORY TARIFFS
June 2019, YOY

Source: DISCUS

A STEADY POUR

Beer consumption is down as more millennials are switching to spirits and hard seltzer. Overall, consumers are seeking more premium, higher-priced options for all their selections (vodka, tequila, whiskey, and wine), keeping sales steady for the entire industry. Despite global tariffs which continue to hound all alcoholic categories, the alcohol industry continues to thrive overall.

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