NBWA

AMERICA'S BEER & BEVERAGE DISTRIBUTORS

Industry Update
Cyclical vs. Structural Changes

Lester Jones, Chief Economist

The Cyclical and Structural Dynamics and the Alcohol Beverage market

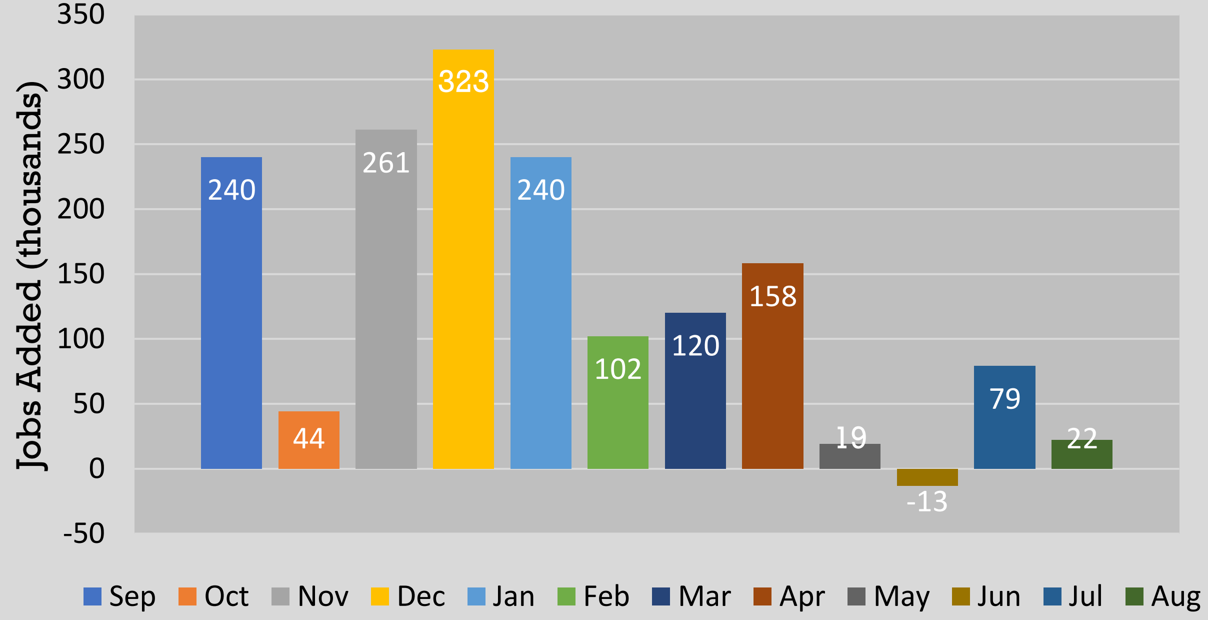
- Labor market, the foundation of consumer spending
  - Hours Worked * Wage * Employed = Spending
- Consumer dynamics wealth and age defines who is working and where they choose to spend
- Alcohol industry supply, distribution and retail capacity dynamics
- Beer Distributors reactions: what you sell, how you sell it, to whom you sell it, and why…

The Economy Remains Resilient Against Weakening Labor Market Trends

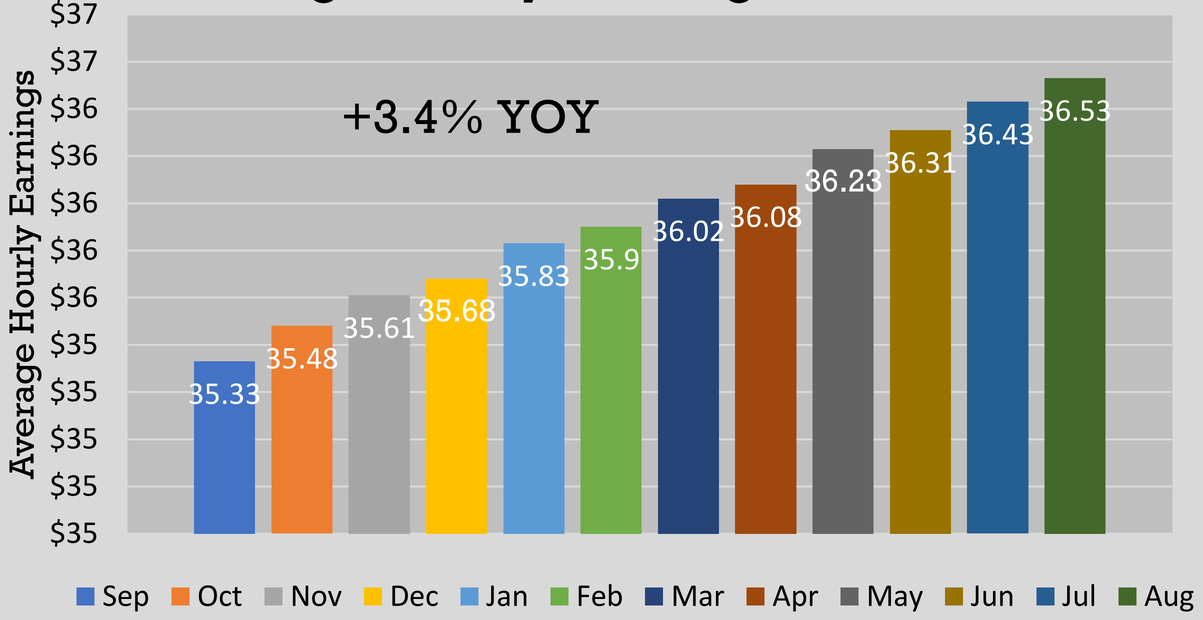
Struggles with:

- Labor (supply and demand)
- Productive (value added by investing in employees & capital)
- Inflation/Deflation (Yes, this happens simultaneously)
- Mixed Policy Signals (Inflation vs Unemployment)
- Bifurcated and Ever-Changing Consumer
- Search for Equilibrium (Capacity and Over supply)

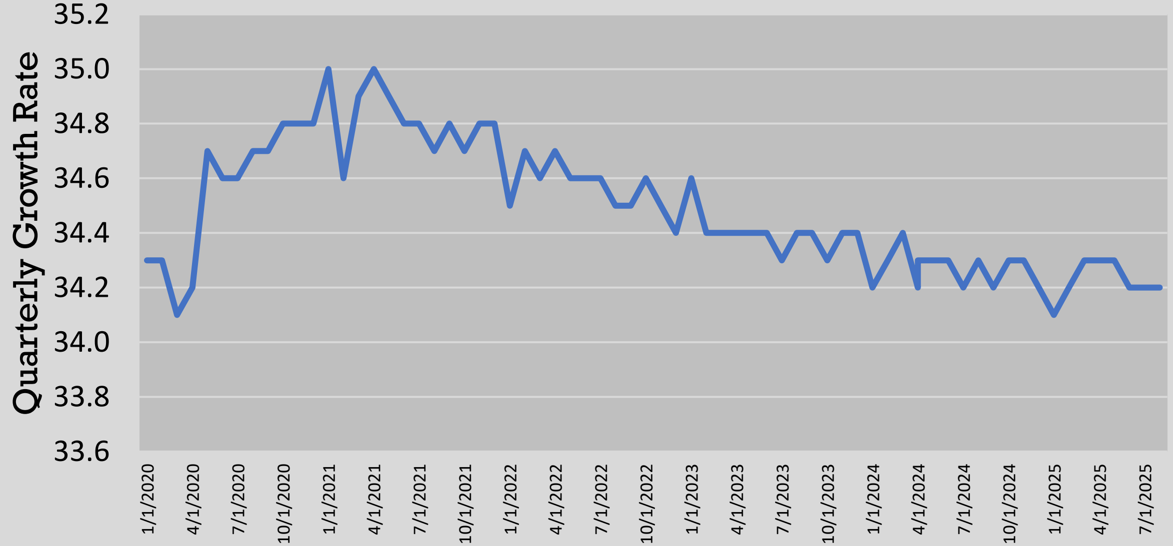
1.6 Million Jobs Added Past 12 Months



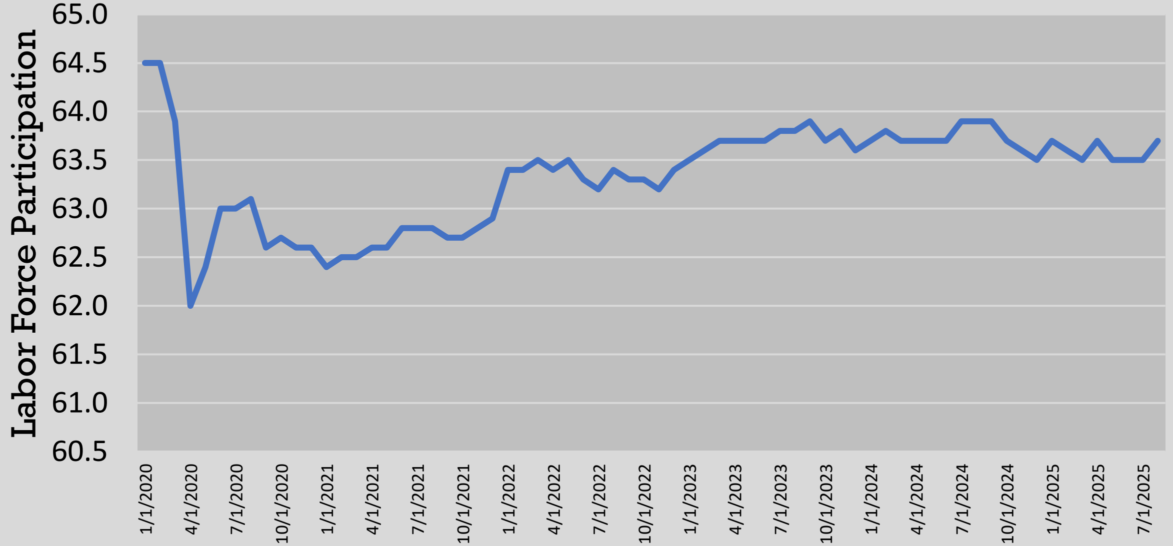
Average Hourly Earning Past 12 Months



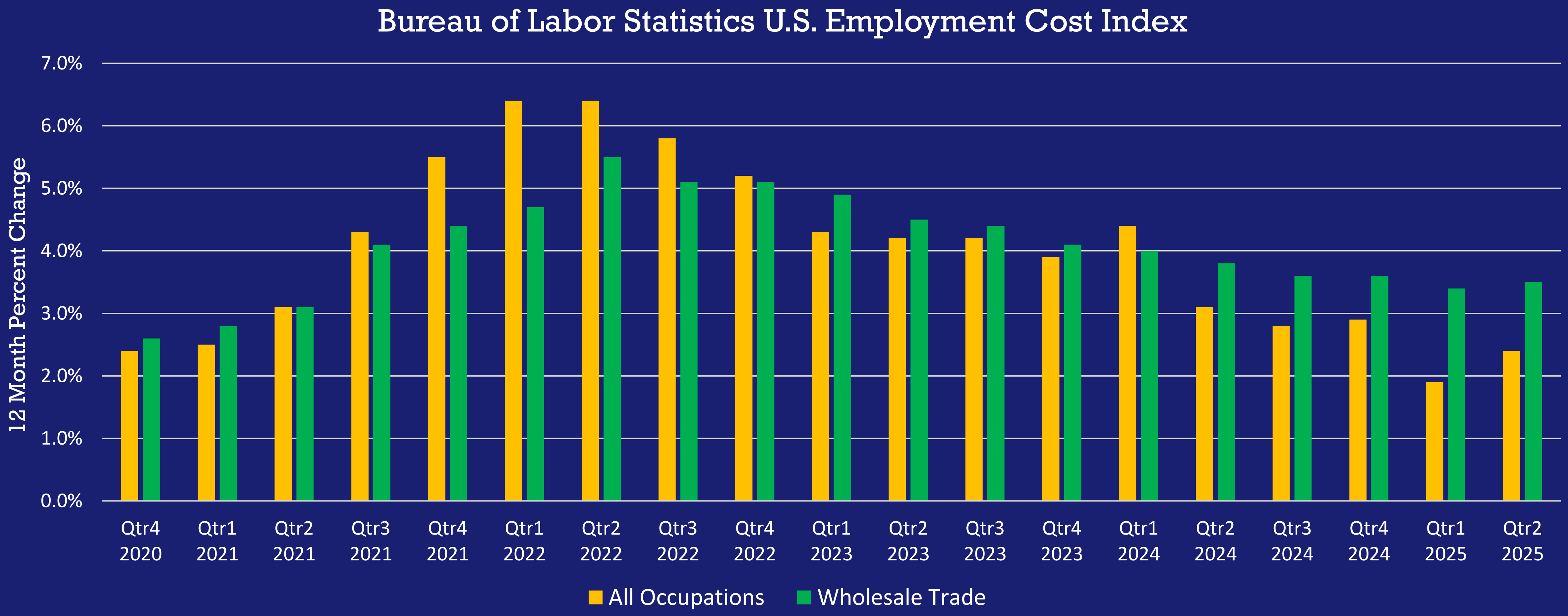
Working Fewer Average Weekly Hours



Labor Force Participation Rate



Labor Costs for Distribution Remain High Relative to the Rest of the Economy



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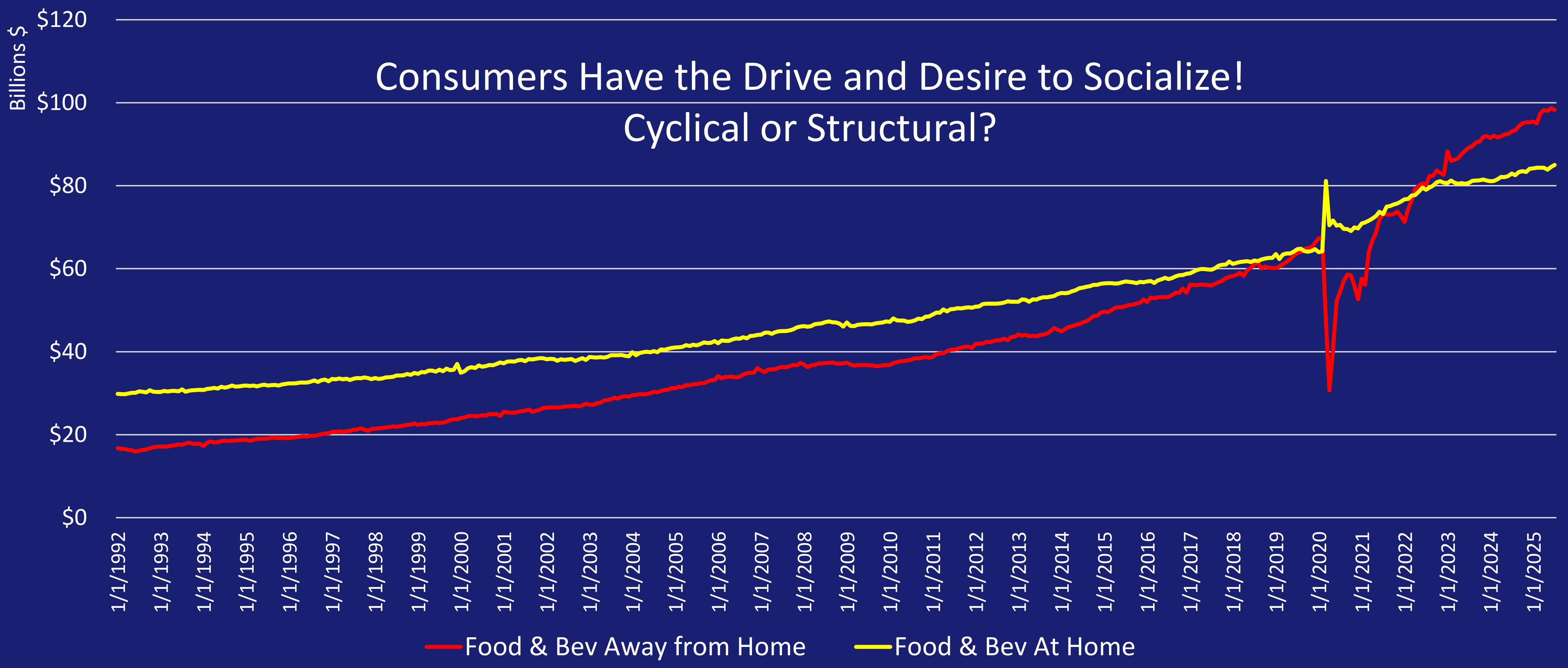
Consumer Retail Sales Food and Beverages Away From Home Greater Than At Home Spending

January 1992 to August 2025



Advance Retail Sales: Food Services and Drinking Places, Millions of Dollars, Monthly, Seasonally Adjusted

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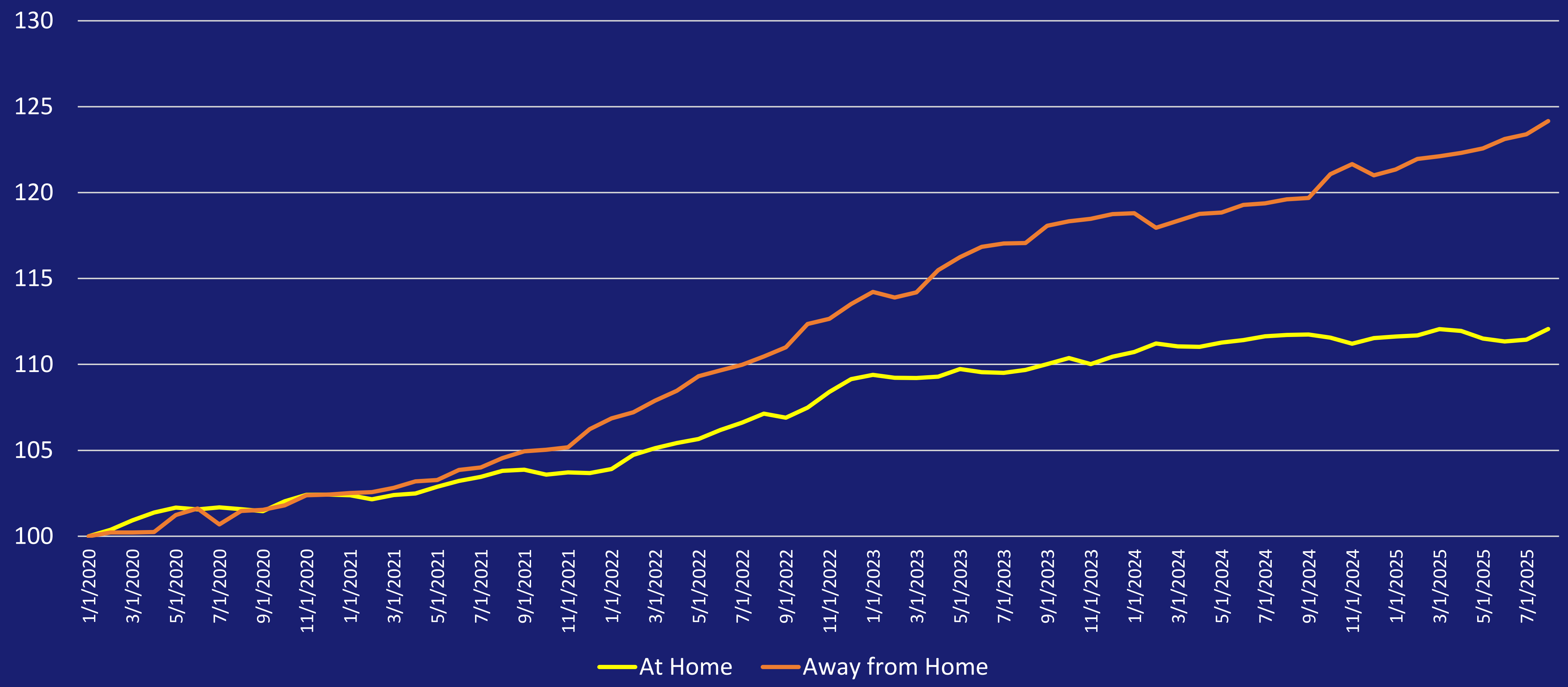
Away from Home Pricing > At Home Pricing
All Alcohol CPI At Home vs. All Alcohol Away from Home
January 2020 to August 2025



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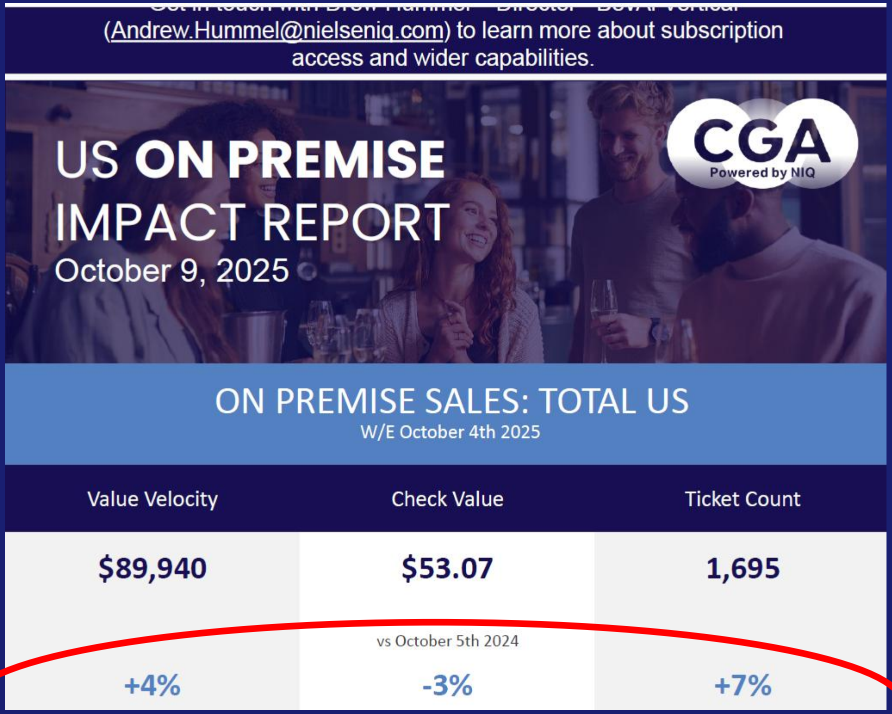
Corroborating Data Sources for On-Premise Performance (Social Channels and the Consumers Desire to Socialize)

Visa Business and Economic Insights

Visa's U.S. Spending Momentum Index (SMI) fell 2.4 points month-over-month (MoM) to 97.7 (seasonally adjusted) in August. Spending momentum decreased

MoM across all categories **other than restaurant, which rose 2.1 points**. Despite the MoM decline in the non-discretionary SMI, the category remained in expansion territory for the second consecutive month.

CGA by NIQ On Premise Impact USA


(Andrew.Hummel@nielseniq.com) to learn more about subscription access and wider capabilities.

US ON PREMISE IMPACT REPORT
October 9, 2025

CGA Powered by NIQ

ON PREMISE SALES: TOTAL US
W/E October 4th 2025

Value Velocity	Check Value	Ticket Count
$89,940	$53.07	1,695
	vs October 5th 2024	
+4%	-3%	+7%

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U.S Consumer Expenditure Survey
Younger Households are Spending More Aggressively on Alcohol Away from Home

	2020	2021	2022	2023
Index (Away Alcohol $ vs Home Alcohol $)	44	82	104	117
Age of Householder	**2020**	**2021**	**2022**	**2023**
25-34 (Sociable Wins)	55	133	170	165
35-44	46	98	122	134
45-54	48	97	126	112
55-65	40	58	77	115
65+	34	51	57	86

Consumer Expenditures: The Census Bureau selects a sample of approximately 18,000 addresses per year from the master address file (MAF) and group quarters frames to participate in the Diary Survey. Usable diaries (two 1-week diaries per household) are obtained from approximately 6,700 households at those addresses.

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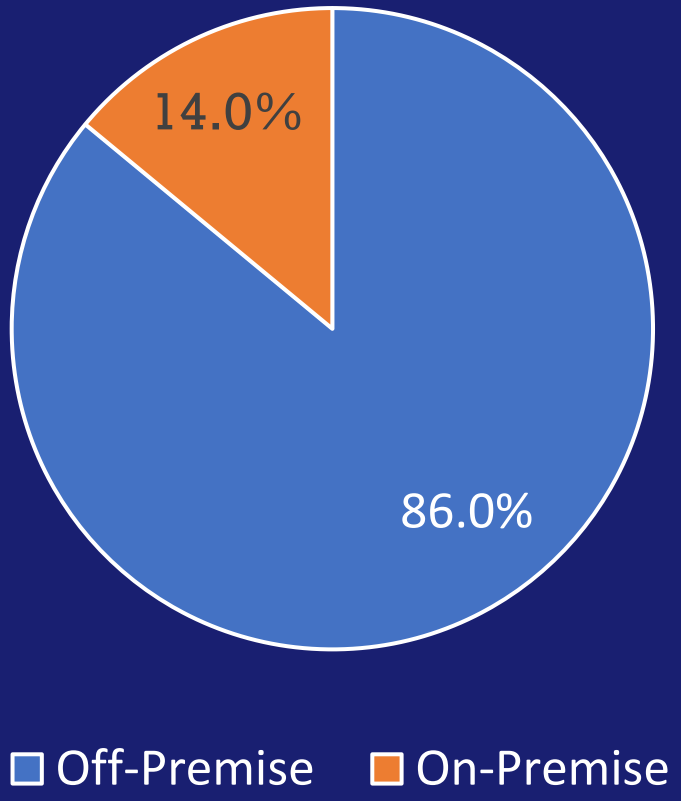
On-Premise Retailers Increased Share of Purchases in 2025 YTD (2024 Week 40 vs. 2025 Week 40)

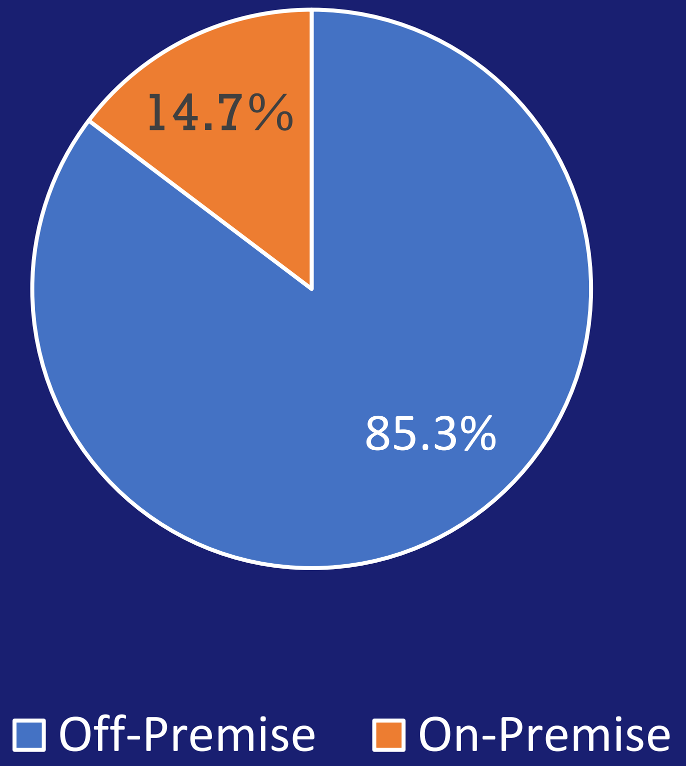
Purchases in 2024 YTD
$53.6 Billion = ($46.1bn +$7.5bn)



+$129 million on-prem
+1.7%

-$1.7 billion off-prem
-4.2%

Purchases in 2025 YTD
$51.9 Billion = ($44.3bn + $7.6bn)



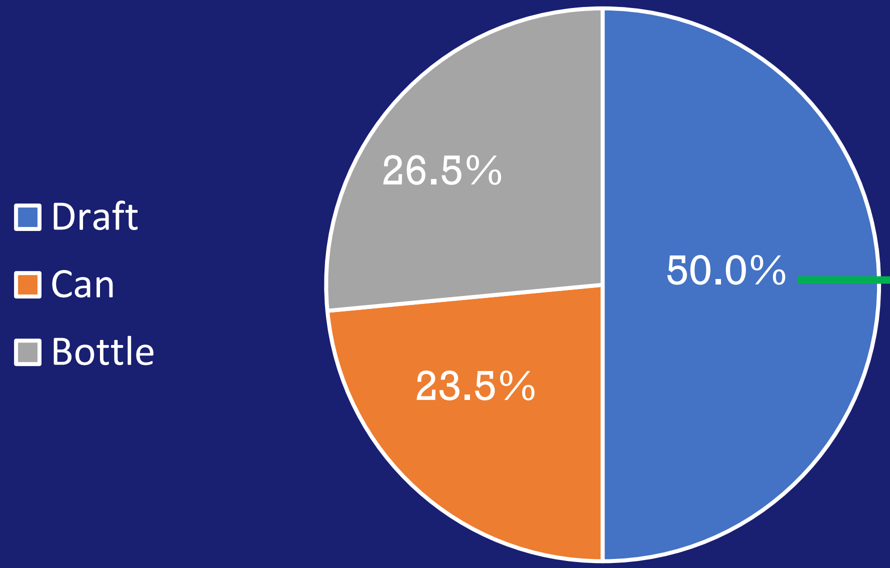
FINTECH Alcohol Management Simplified

CY 2024 and YTD 2025 based on +1 million invoices per week from 258K retailers. About 41% of all licensed retailer and beer sold.

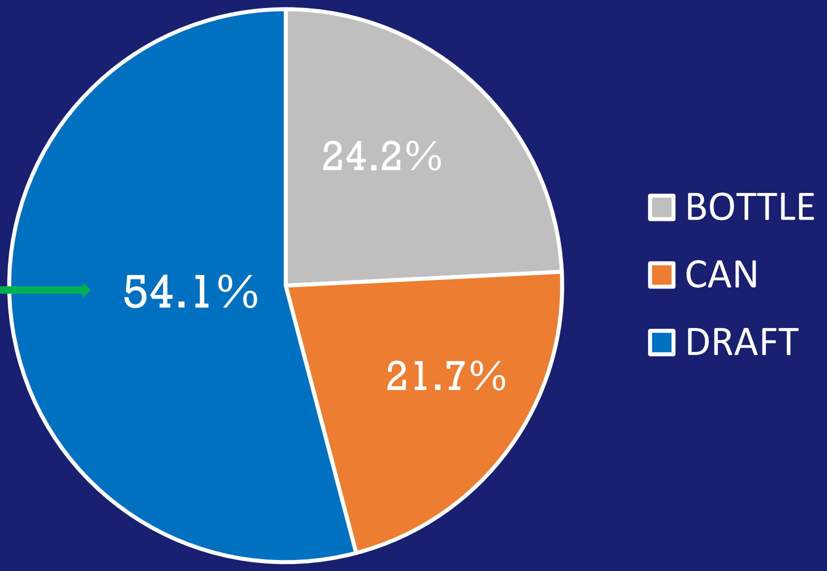
NBWA America's Beer & Beverage Distributors

Draft Beer Continues to Win $s On-Premise Package Shares and Dollar Mix On-Premise 2024 YTD vs. 2025 YTD

On-Premise Package Share 2024 YTD ($6.9 bn)



On-Premise Package Share 2025 YTD ($7.0 bn)



Within the on-premise, kegs gained **+4.1** share points of $s.
+$377 Million YTD 2025 Gain for Draft

Draft = Steel Keg Association = Money Ball

FINTECH Alcohol Management Simplified

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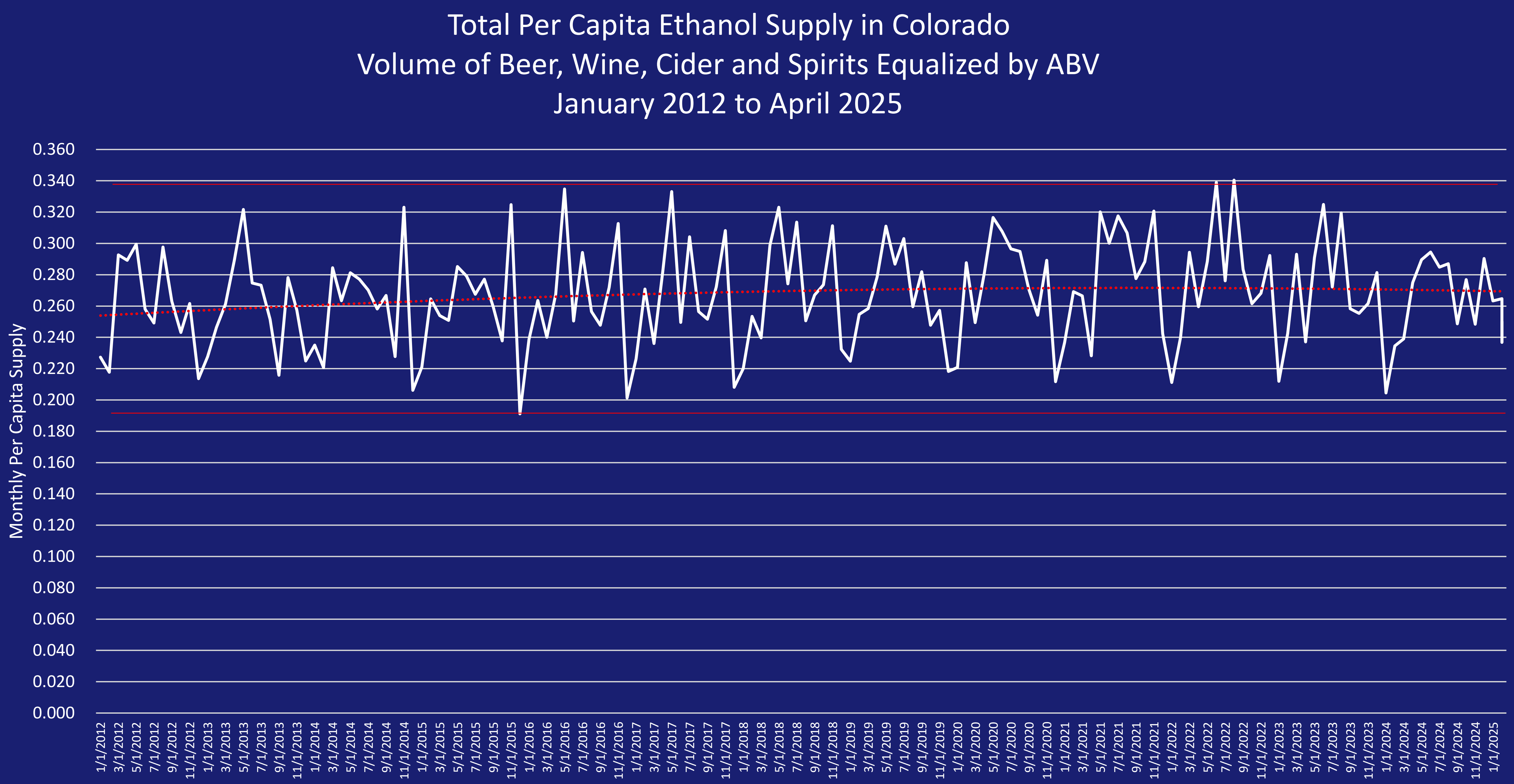
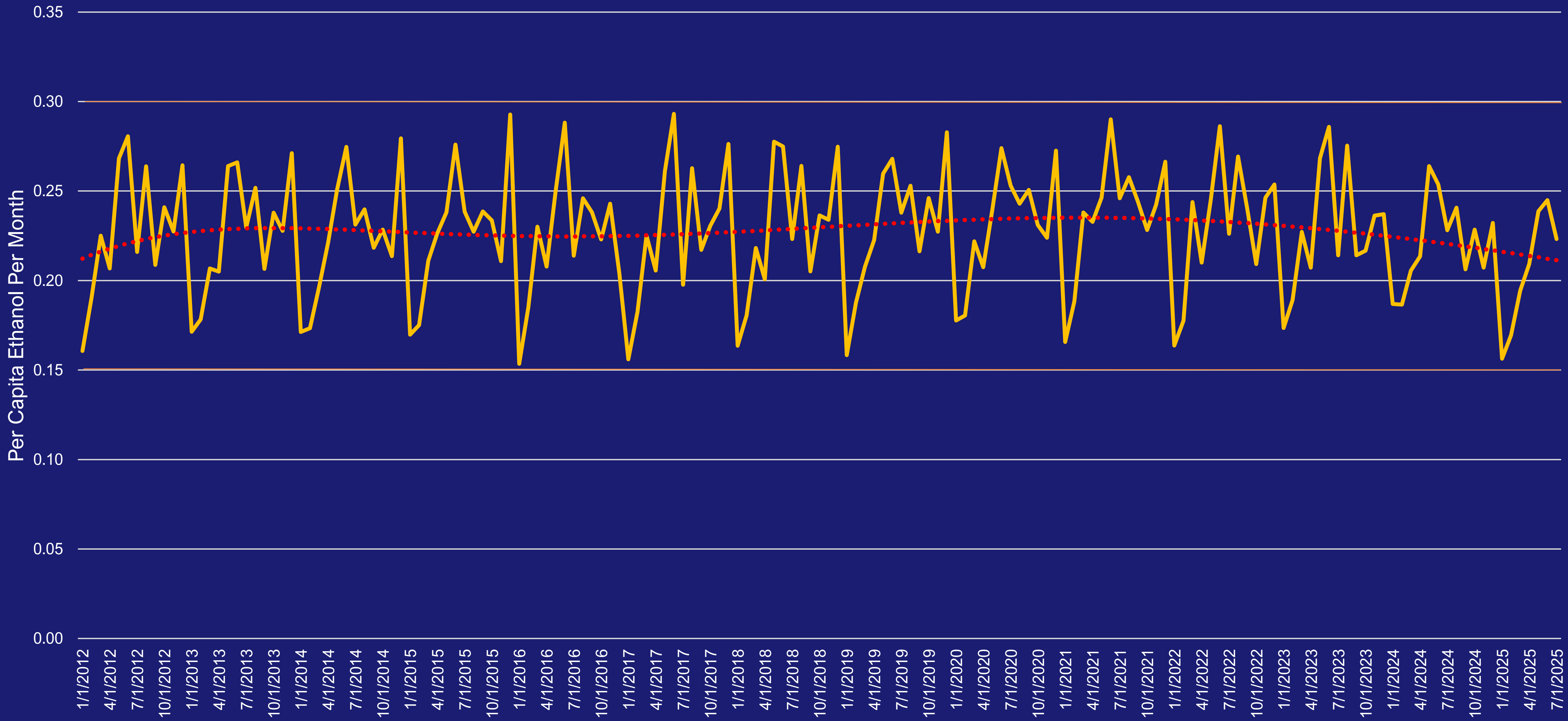


Source; Colorado Department of Revenue, US Census Bureau and NBWA, 2025.

Monthly Illinois Per Capita Ethonol Consumption (Beer, WIne and Spirits)
Monthly 2012 to 2025 YTD



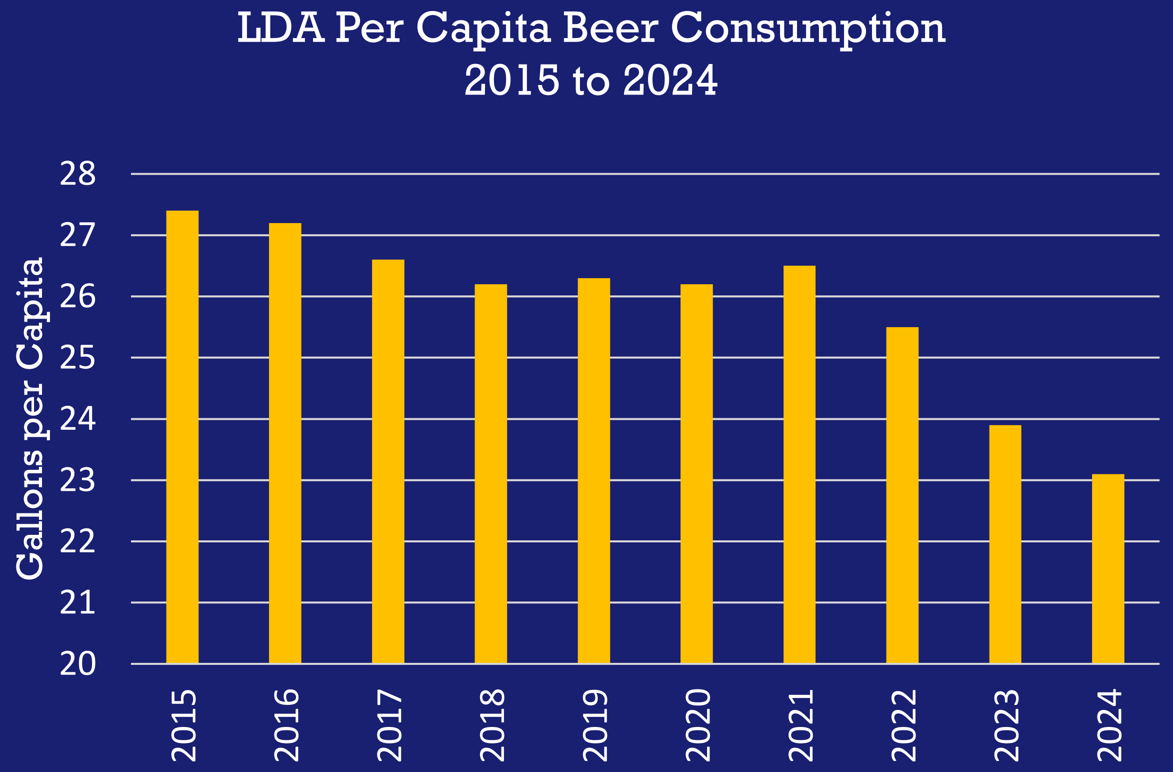
Source; Illinois Department of Revenue, US Census Bureau and NBWA, 2025.

How Many Beer Drinkers Are There?

There are More (10.2mm) Drinkers in 2025 than in 2015

Drank Beer in Past 30 Days
Scarborough Research

Year	21+ Population	**Drank Beer Past 30 Days**	Number of Beer Drinkers
2015	230,228,687	41.70%	96,005,362
2025	254,681,002	41.70%	106,201,978
Change	24,452,315		**10,196,615**



The beer consumer is here, and willing, winning beer occasions is the priority.

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