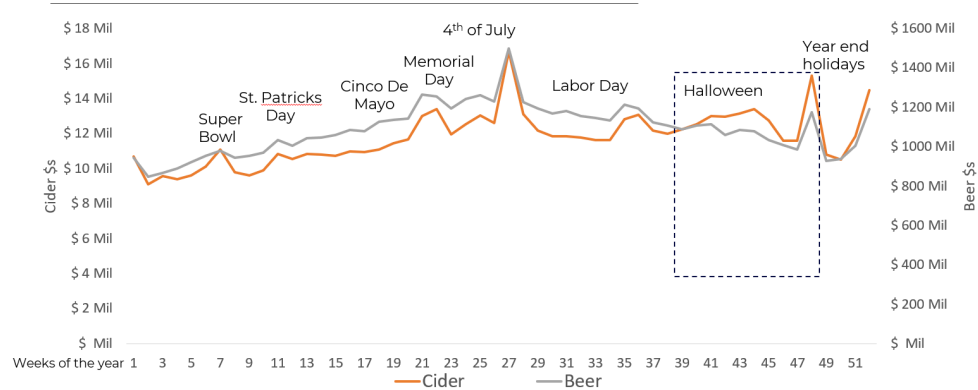


## CiderCon Presentation Highlights

### NCM / Gen-Z Presentation Highlights:

**Total Beer/FMB/Cider vs. Cider weekly dollars**

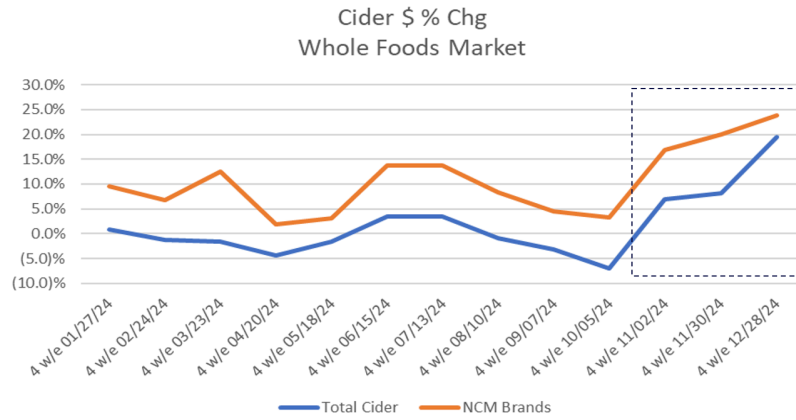
NielsenIQ off-premise channels



### NCM Highlights:

Source: Nielsen IQ Total US xAOC + Liquor + Convenience Channels L52W Dec 28, 2024

- National Cider Month continues to be a significant success within the industry
- 60 producers in 2023, now 130+ producers in 2024, with even more forecasted for 2025
- Noticeable spike in weekly \$ sales for Cider segment compared to that of beer
  - These sales continue throughout the rest of the quarter, carrying momentum to finish the year strong.
- Regional Cider is the 3<sup>rd</sup> largest \$ growth segment behind only 'Imports' and 'FMBs'
  - 'Regional is the tide that lifts all ships within the industry'
- NCM Across the Total US:
  - Total Cider: up +0.4% \$ Sales Growth
  - NCM Participating Brands: up +6.4% \$ Sales Growth (This includes AO YoY sales)
- WFM is ready to invest fully within local producers to push this event and recommend getting full annual plan together to approach them
  - With WFM Specifically for NCM:
    - Total Cider: up +14% \$ Sales Growth
    - NCM Participating Brands: up +36% \$ Sales Growth



This trend continued within WFM to finish out the quarter

## Total Industry/Gen-Z Highlights:

- While Total Cider is down -2.1%, Regional Cider is driving growth for the category, up 2.9% vs YA
- Regional Cider now makes up 56% of total Cider \$ sales

### Flavor/ABV:

- Flavored Ciders now account for almost 60% of the Total \$ sales Growth and almost 39% of Total \$ sales.
  - Apple flavor products though led flavors with 4/10 top \$ growth brand extensions
- Imperial leads overall \$ Growth from an ABV perspective
- NA Cider although still relatively small, doubled its overall \$ share over L52W and continues to be a growing segment within the consumer base

### Pack Size/Format:

- While bottles are declining, Cans in comparison are up +6.5%
  - 6pks and 12pks lead overall \$ growth
  - Counter to beer, 4pks are 3<sup>rd</sup> largest growth format being driven by 4pk 16oz
  - Singles will be one to track with recent regulation changes allowing a “16 oz” and “19.2oz” formats to be in cans on shelves.

### Top Growth Brands:

- Blakes, Schilling, 2-Towns, Golden State, Incline cider, Potter’s Craft Cider, Portland Cider, Avid, Tieton, Vander Mill
- 2 of the 5 top growth brands were also in the top 10 for increased market distribution

### Gen-Z Cider Insights:

Cider has only 6.9% penetration compared to 71.3% for total beer category, showing a lot of the market has yet to experience cider products

Gen-Z ‘s Cider penetration is up vs. YA, although offering less \$ per buyer, which we often see with first time buyers. There is an opportunity to increase engagement with these consumers to ensure they stick around

Only roughly 50% of the Gen-Z generation are legal drinking age and entering the Bev-Alc category. With that, we have already seen Gen-Z households purchasing Bev-Alc double their overall \$’s spent from \$4.6M to \$9.3M.

- 77% of Gen-Z (21+) households purchased Bev-Alc products L52W (+0.7pts vs 2YA)
- Average Gen-Z (21+) household spent over \$300+ per year (-\$55 vs 2YA)

33% of Non Alc buyers are also purchasing High ABV (7+% ) Beer/Cider and 10% of High ABV (7+% ) are also purchasing Non Alc L52W

We found this even more true with the Gen-Z Generation, with their share of wallet over indexing on both NA and High ABV products (Beer/Cider)

- Cider Drinkers, similar to Craft Beer, over index with high income consumers
- Cider performs well among Gen Z consumers, overindexing (120) compared to Craft Beer (78).
  - Cider also does well among Millennial (117 index) and Gen X (102 index) generations
  - Boomers+ however under-index with the cider category (75)
- Both the Craft Beer and Cider categories are under indexing with multicultural consumers, including Hispanic, Asian – Pacific Islander and African Americans

Other important Gen Z behaviors/preferences:

- We are seeing 77% of the Gen-Z generation visit the On-Premise weekly, (+10pp vs. Avg.)
- 57% choose brands who focus on promoting good values/ethical practices (+5pp vs. Avg.)
- 54% of Gen-Z use 'TikTok' to browse Food/drink Trends, (+22pp vs. Avg Consumer)
- 45% of Gen Z post on Instagram to 'Complete a Night Out', (+9pp vs. Avg.)

## Current Trends:

### Most Recent Deck 1/30 Presentation:

[2025129\\_The Future of Hard Cider Innovation and Market Trends for the Top Producers.pptx](#)

- Total Cider:               \$%: -2.1%      Vol%: -4.1%               Distro: -1.8%
- Regional Cider:         \$%: +2.9%      Vol%: +2.2%               Distro: +5.9%

Regional Cider continues to be the tide that lifts all ships, account for 88% of the Top 100 Brands

### ACA/NIQ Census Divisions:

3/5 of the top 5 hard cider market regions are experiencing \$ sales % Growth

Pacific region is being hit heavily but is mainly being driven by national brand declines

### Pack Size Insights:

- Cider is being heavily impacted by Bottle sales (-13.8%). They have the second largest \$ sales % decline across all segments behind only seltzer.
- Can Sales in comparison are up +6.5% across the total segment and are outperforming majority of beer segments behind only imports, FMBs, and domestic premium (Currently being boosted by NA sales)
- Interestingly, counter to other alc segments, 4pk are the 3<sup>rd</sup> largest growth pack size, driven by 4pk 16oz sales accounting for over 80% of \$ Sales growth
- 2/5 of the Top 5 SKUs are 12 pks with 1 being 9pk
- Imperial products accounted for 5 of the top 10 SKUs for total cider

- All of the top 10 growth SKUs are can based
- Over 90+% of the Top 25 Growth SKUs are Can based

**Growth/Misc Insights:**

- 2/5 Top growth brand Families were also in top 10 for increased market distribution
- 3/10 of Top 10 growth SKUs were in top 10 for increased market distribution
- Regional Brands accounted for 5/10 top Growth SKUs
- Consumers are still going back to the classic “Apple” flavor driven by national brand sales
- Imperial Products led overall \$ Growth, NA Cider doubled its \$ Share YoY
- 4% ‘Low Alc’ rising in popularity, passing NA Cider driven by national brands (AO)