AMERICAS BEVERAGES

"Bev Bytes" Beer Distr Survey - Disappointing end of summer trends, but STZ outperformed

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Our View - Beer trends over the summer and the Labor Day holiday weekend this year were lackluster and largely fell short of expectations based on feedback from our beer distributor contacts (representing ~45 beer distributors or ~385,000 retail outlets/~65% of total US outlets that sell alcohol) in our recent Beverage Bytes survey. A challenging macro environment—driven by gas-price pressures on consumer discretionary spending—coupled with fierce competition from spirit-based RTDs continues to weigh on the beer category. Notably, beer volume trends over the Labor Day holiday weekend were disappointing, with ~60% of distributors calling out weakness despite overall favorable weather—which ranked as the second-hottest in six years—though precipitation was higher than average. However, volume trends were not uniform throughout the holiday weekend, with STZ a positive standout among beer manufacturers, while HEIN, SAM, and TAP lagged. Further, summer beer sales fell short of distributor expectations, with 74% now reporting weaker sales during the peak season compared to just 27% in our May survey. Moreover, distributors have grown more cautious, now projecting beer category declines to accelerate to -3.1% this year (compared to -2.1% in May).

Given the tempered beer category trends over the summer and lackluster category growth, especially considering the challenging macro environment, we take a selective approach to identifying relative winners within the beer space that we believe are best positioned to outperform. Along these lines, we reiterate our Buy rating on STZ, given its continued outperformance of the category, relative strength in the on-premise channel over the summer, expected shelf space gains at retail this year, strong momentum behind Pacifico, and distributors' slightly more optimistic outlook for Modelo Especial. We raise our FQ2 beer shipment volume but lower our depletion estimate. We maintain our Buy rating on TAP despite admittedly more cautious distributor feedback than we anticipated as core brands Miller Lite and Coors Light remain pressured and TAP is expected to lose shelf space this year. As such, we lower our top and bottom line estimates. Finally, we remain Sell rated on SAM and continue to see risk despite potential upside from Sun Cruiser on continued pressures on Twisted Tea and Truly. We maintain our-below consensus shipment/depletion estimates.

Other notable takeaways from our survey include: (1) Weaker than expected summer category trends according to the majority of distributors who cited high gas

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Table of Contents

STZ – Key distributor feedback & Key IR Takeaways	3
TAP – Distributor feedback continues to be more cautious	5
SAM – Remain cautious given continued pressures on Twisted Tea & Truly	6
Weather during Labor Day Weekend & August was very hot vs the last 6 years, but slightly wetter	6
Takeaways from Our Survey	8
Detailed Takeaways From Our "Beverage Bytes" Survey	9
Recent Trends – Beer/FMB sales trends were weaker this summer and over the Labor Day holiday vs last year according to a majority of beer distributors	9
Beer category trends – Distributors are more cautious on their outlook for the category this year and now expect declines to be greater	11
Holiday Volume Trends – Labor Day was the strongest for STZ & ABI and the weakest for TAP & SAM	13
On-premise – Volumes were mixed in the on-premise channel this summer, but ABI & STZ screened better than peers	14
Promo Environment – Broadly rational, with most distributors citing a normal environment	15
Inventory Levels – Appear slightly elevated exiting the summer due to lower sales and volumes	17
Shelf/Cooler Space – Distributors expect retailers to reduce space for beer this year but allocate more space to STZ & ABI at the expense of HEIN & SAM	18
STZ Volume Trends – Sequential deceleration in volume trends through August	20
Modelo Especial – Distributors are slightly more optimistic and expect Modelo's sales to grow this year	22
FIFA World Cup – Distributors cite modest volume lift, led by the on-premise channel	23
SAM's Brands – Twisted Tea & Truly remain pressured, while Sun Cruiser remains a bright spot although distributors now expect its growth to decelerate	24
Red Bull Price Increase – Broadly accepted by distributors, but Kroger has challenged the price increase	26
STZ Summary Model	27
TAP Summary Model	28
SAM Summary Model	28
Valuation, Price Target Methodology, and Key Risks	29
Disclosure Appendix	30

prices impacting consumers, weak retail & on-premise consumer traffic, and increased competition from Spirit-based RTDs; **(2)** Mixed on-premise trends over the summer, but ABI & STZ outperformed. Notably, the majority of distributors (72%) reported a volume lift in the on-premise channel during the FIFA World Cup, with both companies emerging as the primary beneficiaries; **(3)** The promotional environment is broadly rational, though distributors reported ABI & TAP promoted the most over Labor Day holiday weekend; **(4)** Reduced shelf/cooler space this year for beer according to our distributor contacts, but retailers are expected to allocate more space to STZ & ABI at the expense of HEIN & SAM; **(5)** Slightly elevated inventory levels exiting the summer given lower beer sales and volume expectations; **(6)** STZ's volume trends decelerated in August as high gas prices pinched beer consumers, while immigration enforcement continued to weigh on Hispanic consumers in key Texas and Florida market; **(7)** Modelo Especial sales are still expected to grow this year according to a majority of distributors (58%) despite soft scanner trends; **(8)** Twisted Tea & Truly remain pressured while Sun Cruiser remains a bright spot for SAM although distributors now expect its growth to decelerate; and **(9)** Red Bull's recent price increase appears to be sticking but some distributors are concerned more retailers (in addition to Kroger) will push back.

STZ - Key distributor feedback & Key IR Takeaways

We're cautiously optimistic that STZ's positive beer shipment volume trends can continue in FY27 despite increased pressure on the consumer due to macroeconomic and geopolitical headwinds. We are encouraged given our distributor contacts expect STZ to gain the most shelf space this year and still expect Modelo's sales to grow this year. As a result, we increase our FQ2 shipment volume growth estimate to +2.0% (vs +1.1% prior) but lower our depletion growth estimate to -0.6% (vs +1.5%), reflecting softer consumer demand due to the challenging macroeconomic and geopolitical backdrop. We maintain our FQ2 EPS estimate of $3.56 (vs FactSet con est of $3.61) but lower our 2H27 margin and EPS estimates given greater inflationary headwinds, including exposure to higher commodities despite a highly hedged position, higher shipping/logistics costs given the constrained transportation capacity environment, and the expected stepped-up marketing spend in 2H vs 1H. As a result, our FY27 EPS estimate moves lower by $0.14 to $11.78. Overall, we're optimistic that STZ's top-line growth trends will continue to improve compared to FY26. Through this lens, we see a positive risk/reward and reiterate our Buy rating on the stock, especially given STZ's attractive valuation with the stock trading at a 19% discount to its beverage peers vs its historical 3-year average discount of only 5%. Separately, we recently caught up with STZ's IR team ahead of their FQ2 results (on 10/6) - key takeaways include:

- **The beer demand and macroeconomic backdrop have remained broadly similar in FQ2 (vs. FQ1).** STZ has continued to see some variability in volumes month to month. Mgmt noted softer beer volumes in April/May as the conflict in the Middle East pushed gas prices higher, pressuring consumer spending and sentiment. In June, trends accelerated (according to mgmt) - supported by lower fuel prices, while consumers also engaged in more beer occasions (i.e. the NBA Finals & FIFA World Cup) both on & off-premise. In July, beer volumes continued to benefit from the World Cup, especially on-premise (~12% of STZ's business) - as STZ was the top share gainer during the 6 weeks of the Games. However, August scanner data has

been softer as higher gas prices and geopolitical volatility remain key pressures on consumers. That said, the latest Circana scanner data (per mgmt) shows STZ's total volume growth up +1.3% QTD (thru 8/16/26), decelerating from +1.9% in FQ1 (when STZ reported -0.3% depletion growth). We note Circana tracks STZ more closely and differs from Nielsen scanner data that indicates STZ's volumes have declined by -1.9% QTD. Furthermore, we note that scanner data only captures ~50% of STZ's business, and we're optimistic that STZ's better performance in the on-premise channel during the World Cup will provide some upside to FQ2 volumes. However, we lowered our depletion estimate in FQ2 to -0.6% to reflect a similar gap to the Circana scanner data. Overall, we do not expect an immediate rebound in total company beer sales and volumes, though we remain optimistic trends will continue to improve as the year progresses.

- **FQ2 shipment growth is likely to outpace depletions.** Historically, shipment growth in FQ2 typically tracks more closely with depletion growth compared to Q1, when STZ works to build distributor inventory levels heading into the all-important summer selling season. However, shipment volumes declined sharply and came in well below depletions in F2Q26 - as a result of softer distributor inventories. Therefore, we expect shipment growth to benefit from the easier year-over year comparison, and depletions to be softer due to the challenging macroeconomic and geopolitical backdrop. As a result, we increase our FQ2 shipment volume growth estimate to +2.0% (vs +1.1% prior).
- **The Hispanic consumer continues to be challenged, with pressure varying by state.** STZ's top five states—California, Texas, Florida, New York, and Illinois—represent ~50% of STZ's volumes, with California representing ~20% of total company volumes and Texas representing ~10-15%. Further, STZ continues to have a greater exposure to the Hispanic consumer compared to peers (~35% vs ~15% for the beer industry). That said, while immigration enforcement has been less public in 2026, higher levels of enforcement remain in Texas and Florida, while enforcement activity has tempered in California and New York. As such, STZ is seeing more pressure from the Hispanic consumer in Texas and Florida and the sales headwind from Hispanic consumers is expected to remain in FY27.
- **Despite the softer backdrop, distribution remains healthy for STZ's core brands and innovation remains a future growth driver.** In recent quarters, STZ has grown points of distribution by +MSD%, as the company's brands continue to resonate with consumers and brand-health and loyalty metrics remain strong. The largest contributor of distribution growth is Modelo, which has been growing in the +LSD% to +MSD% range, while Pacifico and Victoria have been growing in the +MSD% to +HSD% range and Corona has seen flattish to slightly up distribution gains. Elsewhere, STZ noted Sunbrew (which launched last year) has seen softer growth recently as the brand cycles tougher comparisons from its initial year of growth. On the other hand, STZ has seen success with Modelo Chelada Supremo (higher ABV) as the brand continues to launch in new markets. Overall, innovation remains a key part of STZ's long-term growth algorithm, though STZ's core brands remain the primary drivers of growth in its portfolio.
- **Beer margins are expected to remain under pressure this year.** Mgmt expects

beer margins to be weighed down by costs associated with STZ's new Veracruz brewery (which is expected to begin production in the middle of this fiscal year), increased SG&A expenses (y/y) related to lower incentive comp in FY26, higher commodity inflation (despite hedging), higher transportation, and stepped-up marketing spend (especially in FQ2 & FQ3) around the World Cup, MLB, and NCAA Football. As an offset, mgmt expects to realize some benefit from pricing (mgmt expects price realization of ~+1% to 2%, albeit towards the lower end), the company's cost savings agenda and relief from aluminum tariffs this year. As a result, we think STZ's FY27 beer operating margin guidance of 37% to 38% should prove doable.

- **Wine & Spirits op margin expected to be pressured in FQ2.** We expect STZ's W&S op margin is likely to be closer to ~flat in FQ2 and as a result, lower our estimate to 0.5% (vs. +10% prior), resulting in our lower FY27 W&S operating margin of 5.7% (vs. 6.1% prior). Importantly, STZ expects W&S op margin improvement to be 2H weighted and believes its +5% to +6% W&S op margin guidance is achievable.

TAP – Distributor feedback continues to be more cautious

Distributor feedback on TAP was admittedly a bit more cautious than we anticipated, with lower than expected shelf space gains expected for the full year, weak on-premise trends this summer, out-of-stock concerns, and core brands - Miller Lite & Coors Light - continuing to underperform. As a result, we lowered our Q3 shipment/depletion estimates in Americas to -3%/-2.8% (vs -1.7%/-2.0% prior) and our EPS estimate to $1.44 (vs $1.49 prior). We also lowered our FY26-FY28 EPS estimates to $4.67/$5.01/$5.42 from $4.76/$5.31/$5.74 to reflect greater pressures from freight and fuel. As a result, we lowered our price target by $3, to $47. However, we remain encouraged by the steps TAP is taking on its transformation journey, and we see a number of positive building blocks in place, including: **(1)** Progress towards improving TAP's core brands; **(2)** Premiumization efforts remain a key element of the business - led by Madri in EMEA & APAC, Blue Moon (Non-alc), Peroni & beyond beer; **(3)** Improvement in the value segment - with share trends improving for Miller High Life recently and the successful launch of Keystone Light Apple, which will make a return this fall as a LTO; **(4)** We expect Fever-Tree to be a significant growth engine longer term - particularly as it relates to driving continued premiumization. The brand continues to be both top-line and margin accretive, and we expect Beyond Beer's share of TAP's portfolio to increase over time; **(5)** Mgmt's commitment to accretive M&A - which we believe is an important lever to help return TAP to its medium-term growth algo. That said, TAP acquired Atomic Brands, maker of Monaco cocktails, which has helped TAP partially fill the RTD/flavors gap in its portfolio and the brand is still on track to contribute ~1% to TAP's top-line on a T12M basis - while also delivering incremental profitability in year one after 9 months in the portfolio. Ultimately, we are optimistic that the stock can re-rate higher as visibility improves on broader category trends. With the stock trading at an NTM P/E of only 8.0x on consensus estimates, we believe its valuation is attractive, especially given the stock traded closer to 12.0x in mid-2020 when TAP's leverage was ~5x, it suspended its dividend, and its business was experiencing greater volume declines and share losses. In our view, the business has come a long way from then and therefore we maintain our Buy

rating.

SAM – Remain cautious given continued pressures on Twisted Tea & Truly

We remain cautious on SAM given feedback from distributors indicated continued pressures for Twisted Tea and Truly, with distributors expecting Twisted Tea's declines to strengthen this year and Truly's trends to continue to deteriorate. On a positive note, Sun Cruiser is seen as a bright spot for SAM and most distributors (95%) expect Sun Cruiser's growth to remain strong this year. However, distributors are now more split on whether Sun Cruiser's growth will accelerate or decelerate this year, with 39% of distributors expecting Sun Cruiser's growth to decelerate in 2H vs 1H (vs. 22% in our May survey). Further, we remain concerned that 77% of distributors expect retailers to allocate less shelf/cooler space to SAM this year.

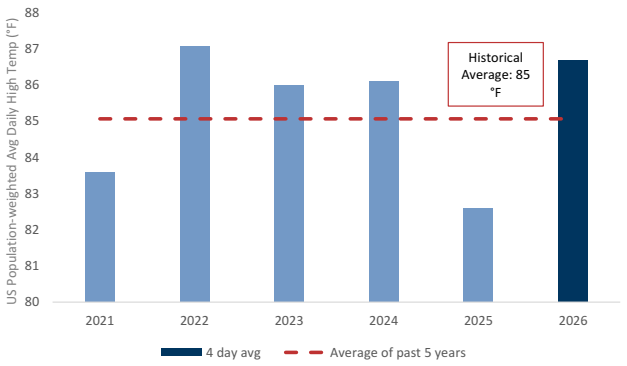
Net/net, we maintain our below-consensus shipment/depletion estimates and continue to question the stabilization of SAM's top- and bottom-line trends given the recent re-acceleration in inflation, which could further weigh on shipping/freight costs, as well as macro headwinds pressuring discretionary consumer spending. Further, we are concerned that the ROI on SAM's recent investment spend has not met mgmt's internal expectations, and that the company may be opting to invest less behind its brands in an effort to protect the bottom line. As a result, we maintain our Sell rating as we continue to see a negative risk-reward given still-limited visibility on Truly's path to stabilization, further volume pressures on Twisted Tea and few n.t. growth catalysts (other than Sun Cruiser and potentially Sinless & LYTT).

Weather during Labor Day Weekend & August was very hot vs the last 6 years, but slightly wetter

Leveraging GS Data Works, we supplement our survey findings with weather data from the National Oceanic and Atmosphere Administration (NOAA), which helped us track historical weather patterns during Labor Day weekend, as well as August 2026 and QTD across the US.

Labor Day Weekend Weather – The data suggests Labor Day Weekend this year was the 2nd hottest in the last six years as the 4-day average daily max temperature this year was 86 degrees (Fahrenheit) vs the 82 degree average last year. However, Labor Day weekend this year was slightly wetter than the average during the past 5 Labor Day weekends – with precipitation increasing +33% on a US-population weighted basis compared to 2025.

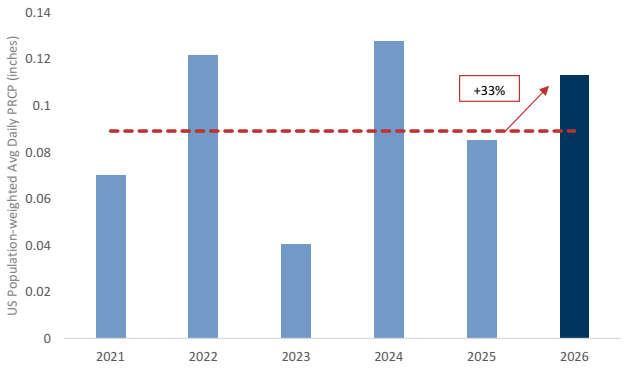
Exhibit 1: 2026 Labor Day Weekend was one of the hottest in the past 5 years
4-day Labor Day Weekend max temperature average 2021-2026



GS Data Works Analysis provided by Dan Duggan, PhD and Jaswanthi Masada

Source: NOAA, Census Bureau, Goldman Sachs Global Investment Research

Exhibit 2: ...however, 2026 Labor Day Weekend was also one of the wettest in the last 5 years
4-day Labor Day Weekend precipitation average 2021-2026

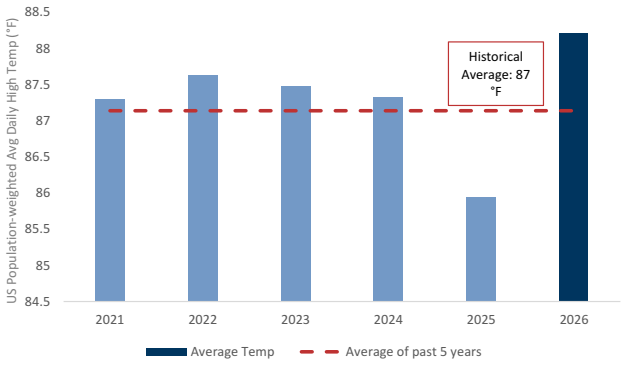


GS Data Works Analysis provided by Dan Duggan, PhD and Jaswanthi Masada

Source: NOAA, Census Bureau, Goldman Sachs Global Investment Research

August Weather - Weather during the month of August across the US was also the hottest it's been in the last 6 years, but it was slightly wetter than the 5-year average. The average daily max temperature during August this year was 88 degrees (Fahrenheit), above the 5-year historical average of 87 degrees (Fahrenheit). However, August this year was wetter than last year, with precipitation increasing +12% on a US-population weighted basis compared to August 2025.

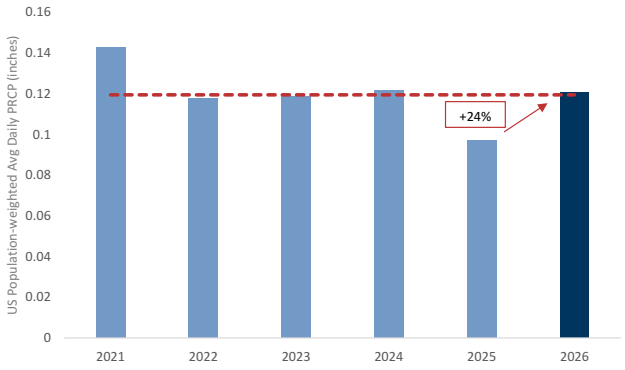
Exhibit 3: August 2026 was the hottest August in the past 6 years
August max temperature average 2021-2026



GS Data Works Analysis provided by Dan Duggan, PhD and Jaswanthi Masada

Source: NOAA, Census Bureau, Goldman Sachs Global Investment Research

Exhibit 4: ...albeit slightly wetter than the 5-year average
August precipitation average 2021-2026



GS Data Works Analysis provided by Dan Duggan, PhD and Jaswanthi Masada

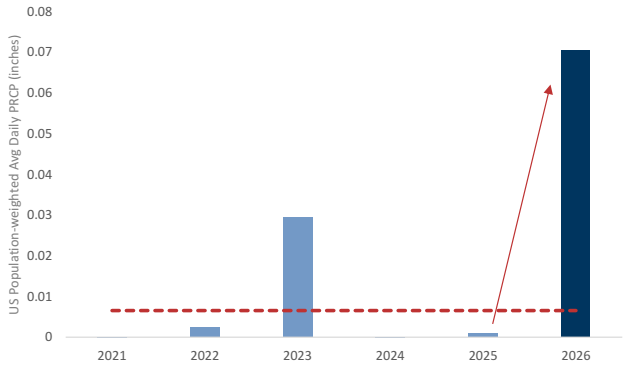
Source: NOAA, Census Bureau, Goldman Sachs Global Investment Research

QTD Weather - The data also suggests QTD weather has been the hottest in the past 6 years, though slightly wetter than the same period last year. July was modestly wetter but hotter than last year, with an average daily max temperature of 88 degrees (Fahrenheit). September 2026 so far (as of 9/8/26) has shown a similar patter to August, as it's been the hottest September in the past 6 years with an average temperature of 87 degrees (Fahrenheit) compared to 82 degrees (Fahrenheit) last year but the month so far has also been tracking slightly wetter than last year.

CA & TX Weather - We also analyzed weather data in two of STZ's largest markets

(California & Texas) and found this Labor Day weekend was the wettest in the past 6 years in California, while it was one of the hottest in the past 6 years in Texas. In California, QTD weather has also been hotter than last year, with average temperatures of 88 degrees Fahrenheit vs 86 degrees last year, while precipitation has been only marginally higher. Texas has followed a similar pattern, with higher QTD temperatures of 97 degrees Fahrenheit vs 94 degrees last year, albeit with lower precipitation.

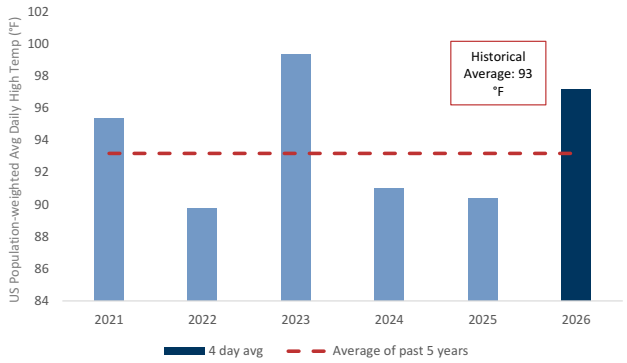
Exhibit 5: 2026 Labor Day Weekend was one of the wettest in the last 5 years in California
4-day Labor Day Weekend precipitation average 2021-2026



GS Data Works Analysis provided by Dan Duggan, PhD and Jaswanthi Masada

Source: NOAA, Census Bureau, Goldman Sachs Global Investment Research

Exhibit 6: 2026 Labor Day Weekend in Texas was one of the hottest in the past 5 years
4-day Labor Day Weekend max temperature average 2021-2026



GS Data Works Analysis provided by Dan Duggan, PhD and Jaswanthi Masada

Source: NOAA, Census Bureau, Goldman Sachs Global Investment Research

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GS DataWorks analysis provided by Dan Duggan, Ph.D. and Jaswanthi Masada.

Takeaways from Our Survey

- **Recent Trends** - Beer/FMB sales trends were weaker this summer and over the Labor Day holiday vs last year, according to a majority of beer distributors
- **Beer Category Trends** - Distributors are more cautious on their outlook for the category this year and now expect declines to be greater
- **Holiday Volume** - Labor Day was the strongest for STZ & ABI and the weakest for TAP & SAM
- **On-Premise** - Volumes were mixed in the on-premise channel this summer, but ABI & STZ screened better than peers
- **Promo Environment** - Broadly rational, with most distributors citing a normal environment
- **Inventory Levels** - Appear slightly elevated exiting the summer due to lower sales and volumes
- **Shelf/Cooler Space** - Distributors expect retailers to reduce space for beer this year but allocate more space to STZ & ABI at the expense of HEIN & SAM
- **STZ Volume Trends** - Sequential deceleration in volume trends through August

- **Modelo Especial** – Distributors are slightly more optimistic and expect Modelo's sales to grow this year
- **FIFA World Cup** – Distributors cite modest volume lift, led by the on-premise channel
- **SAM's Brands** – Twisted Tea & Truly remain pressured while Sun Cruiser remains a bright spot, although distributors now expect its growth to decelerate
- **Red Bull Price Increase** – Broadly accepted by distributors, but Kroger has challenged the price increase

Detailed Takeaways From Our "Beverage Bytes" Survey

Below is a detailed review-in-pictures of our survey, summarizing key beer distributor takeaways on a variety of topics, including: **(1)** Current category trends & their outlook; **(2)** Labor Day weekend volume trends for the category and key manufacturers; **(3)** The impact of the FIFA World Cup on the beer category; **(4)** Recent distributor thoughts on a variety of key brands, including Modelo Especial, Corona Extra, Miller Lite & Coors Light, Twisted Tea, Truly and Sun Cruiser. In aggregate, we include feedback from ~45 beer distributors representing ~385,000 retail outlets/~65% of total US outlets that sell alcohol.

Recent Trends – Beer/FMB sales trends were weaker this summer and over the Labor Day holiday vs last year according to a majority of beer distributors

Labor Day Holiday – Beer/FMB sales trends over the Labor Day holiday were weaker this year vs last year according to 61% of our distributor contacts due to a combination of factors, including elevated gas prices impacting consumers, weak retail & on-premise consumer traffic, shipment timing factors (Labor Day was later this year), and increased competition from Spirit-based RTDs. Generally, distributors were surprised by the fall of beer trends after the World Cup and the US' 250th Anniversary in July and indicated August trends have been soft.

- One distributor noted the holiday weekends in the summer (Memorial Day, July 4th, and Labor Day) had tempered performance, but the weeks in-between the summer holiday weekends have continued to underperform over the years and the trend seems to be getting worse.
- Another distributor experienced a high impact weather event in August where 60% of the distributor's territory experienced significant flooding for two weeks, consequently affecting volumes. However, the distributor saw a rebound in volumes during Labor Day weekend as the flooding receded and sunny weat
- A third distributor acknowledged August sales would have been up weekend was earlier this year. The distributor reported sales being August as a result.

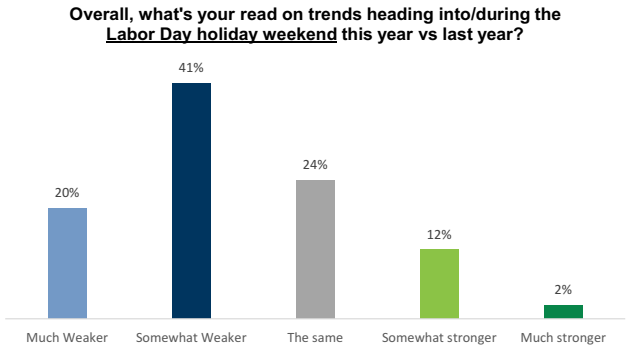
Summer 2026 – Beer/FMB sales trends over the summer were also wea



last year, according to 74% of distributors (vs. 27% of distributors highlighting they expected the summer selling season to be weaker this year vs last year in our May Survey).

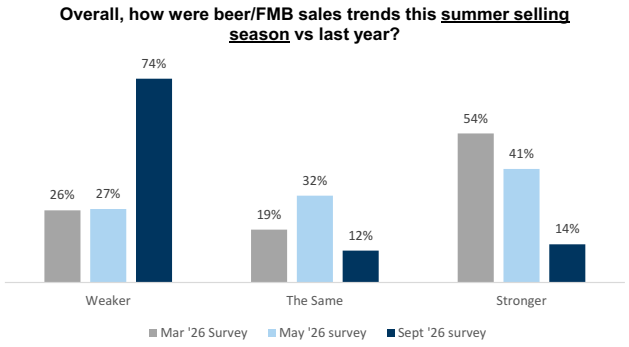
- Beer volumes remain stubbornly soft according to one distributor, who also noted the softening of beer trends after the World Cup was astonishing. The same distributor indicated FMBs have had better trends than beer, led by White Claw.
- Another distributor indicated FMBs continue to be pressured by Spirit-based RTDs, noting stability/growth for Cayman Jack, Clubtails, Smirnoff, and Redd's - while Twisted Tea, Mike's Hard Lemonade, Seagram's Escapes, and Simply Spike are fighting to get back to growth.
- A couple of distributors noted out of stocks (OOS) have affected beer trends this summer, with one distributor calling out OOS for Molson Coors. Another distributor believes TAP has a lack of measurable media and acknowledged when there is, the marketing is ineffective.
- Several distributors highlighted that trends during August were weak, with one distributor stating August was the worse month of the summer while another commented that beer slowed down post July 4th through the end of August.
- One distributor noted that the industry is still declining, and they are looking for a plateau at some point, hopefully in the near future. Importantly, profitability and price remain mostly favorable, with declines in percentage terms far less than the corresponding unit sales. The pleasant surprise according to this distributor is the continued strong showing by RTDs, up over 100% YTD, which are likely cannibalizing beer and FMBs.
- Overall, it appears the softness in beer was partially or fully offset by strength in the RTD space, with distributors highlighting strength for Happy Dad, Clubtails, Cutwater, NUTRL, and Surfside.
- Non-alcoholic beverages (bottled water, energy drinks, milk-based beverages, craft sodas, etc.) have been outperforming beer, growing cases and profits according to one distributor.
- Another distributor noted beer trends in the chain grocery channel (their largest) are the worst of any other channel this summer.

Exhibit 7: Beer/FMB sales trends this Labor Day holiday weekend (vs last year) were softer than hoped



Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 8: Beer/FMB sales trends this summer selling season (vs last year) were much weaker than expected



Source: Data compiled by Goldman Sachs Global Investment Research

Beer category trends - Distributors are more cautious on their outlook for the category this year and now expect declines to be greater

- 91% of distributors expect beer category sales to be down in 2026 (vs. 2025), which does not come as too much of a surprise given the category has moderated since its stronger start in Q1 (i.e. less negative). In aggregate, distributors now expect beer category sales declines to accelerate this year (vs last year), with respondents now expecting category declines of -3.1% this year (vs -2.1% in our May survey). Notably, -3.1% is largely in-line with category sales down -3.2% in 2025 (according to NielsenIQ). That said, one distributor expects mixed month-to-month performance, with strength in September and October but weakness in November and December. Another respondent believes beer volumes may be stabilizing but does not see any encouraging signs for a rebound in the category.
- Distributors who indicated that beer category sales will be down this year cited:
  - Spirit-based RTDs continue to take share from the beer category.
    - One distributor highlighted that Spirit-based RTDs continue to take volume from the beer category. Premium Light beer brands, Bud Light, Coors Light, and Miller Lite are struggling and Busch Light and Michelob Ultra's growth cannot make up for the losses.
    - Malt-based drinks are challenged, and Spirit-based RTDs have been helping offset some of the losses for certain brewers according to another distributor.
    - In a similar vein, another distributor indicated that, with price increases on malt-beverages and deeper discounts on spirits expected after the start of the new year, malt-based beverages will continue to underperform into mid-2027.
    - Spirit-based RTDs are surging, while traditional domestic beer and hard seltzers are pulling the beer category's performance down.

- Another distributor is seeing soft beer trends, while spirit-based RTDs, non-alcoholic beer, and non-alcoholic beverages (energy & hemp drinks) are growing.
- A South Carolina-based distributor noted fast growth for the state with better beer sales declines of -2.5% YTD. The distributor also noted RTD brands have kept their dollar volume slightly up in 2026.

☐ Macroeconomic headwinds pressuring beer sales/consumption.

- One distributor indicated that macroeconomic headwinds are starting to play a significant role in consumers' disposable income. Diesel prices hovering ~$6 has been a 6-month reality, inflation has only somewhat stabilized, and consumer debt levels are high and rising.

☐ Softness in Domestic, Imports, and Premium Light beer categories, as well as FMBs.

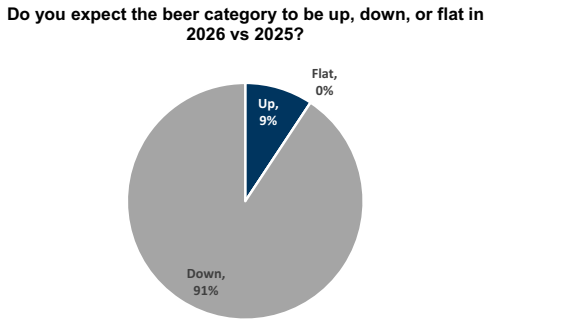
- Even the power brands such as Modelo are under pressure according to one distributor. There are not many breweries or brands that can make up for the mass losses of the Premium Light beer brands.

☐ Out-of-stocks have been an issue, especially for TAP.

☐ With a focus on specific manufacturers/brands, one distributor indicated that every beer manufacturer is down except for New Belgium and Sapporo. TAP is down -6%, HEIN is down -8%, and SAM is down -10% for the distributor.

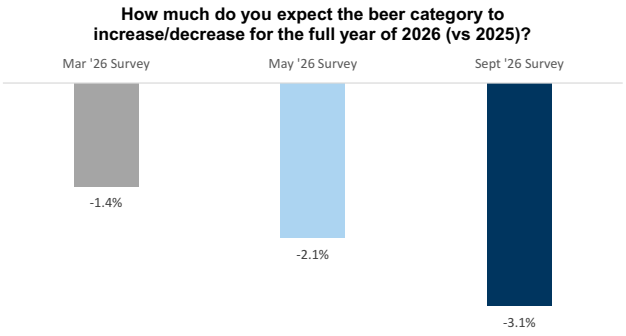
- Another distributor indicated ABI is down -2.5% while STZ is down -6-7%, a big drag to the distributor's performance.
- Notably, one distributor indicated Modelo and Pacifico still have momentum, with Modelo up +MSD% and Pacifico up +DD%.
- Another distributor is seeing volume increases for all of Constellation's brands, while another is seeing growth for Corona and Michelob Ultra.

Exhibit 9: Distributors expect the beer category to be down in 2026 vs 2025



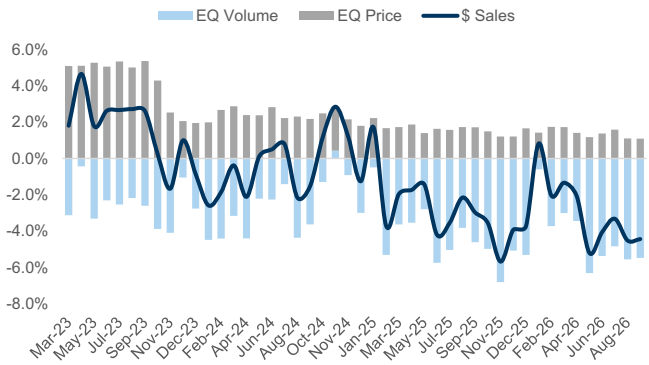
Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 10: Distributors now expect beer category declines of -3.1% this year, a deterioration vs the -2.1% expectation from our Spring survey



Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 11: Beer – Retail $ Sales Trends
4wk YoY % Change – through 8/22/26



NielsenIQ xAOC including Convenience Stores and Liquor Stores

Source: NielsenIQ, Goldman Sachs Global Investment Research

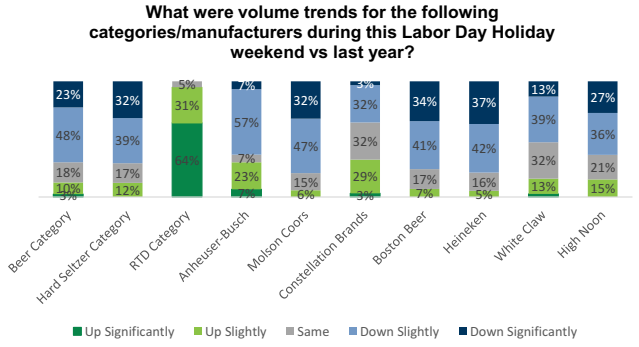
Holiday Volume Trends – Labor Day was the strongest for STZ & ABI and the weakest for TAP & SAM

- Only 13% of distributors indicated volume trends during this Labor Day holiday weekend were up y/y for the beer category. Meanwhile, only 12% of distributors indicated volume trends were up for the Hard Seltzer category during this Labor Day Holiday weekend. However, the RTD category performed well, with 95% of distributors indicating volume trends were up for the category.
- Distributors indicated the strongest positive volume trends for STZ and ABI over the Labor Day holiday weekend, with 32% of respondents stating STZ's volumes were up and 30% stating ABI's volumes were up.
- **STZ** – While 32% of distributors indicated that STZ's volumes were up over the Labor Day holiday weekend, 35% indicated volumes were down.
  - 51% of distributors indicated Modelo Especial volume was up while 80% indicated Pacifico volume was up during the holiday weekend. However, 60% of distributors highlighted that Corona Extra volume was down.
  - Also, one distributor reported STZ continues to have solid growth despite the challenged market.
  - Another believes STZ is performing fairly well because the company is leaning more into measurable media as ABI continues to step up marketing spend as well.
- **ABI** – 30% of distributors indicated that ABI volumes were up over the Labor Day holiday weekend. However, 63% of distributors indicated ABI's volume were down over the holiday weekend.
  - Not surprisingly, 81% of distributors indicated that Mich Ultra's volume was up during the holiday weekend.
- **TAP** – 79% of distributors indicated that TAP's volumes were down during this Labor Day holiday weekend.

- One distributor is concerned about TAP's performance and indicated TAP is down twice as much as ABI.

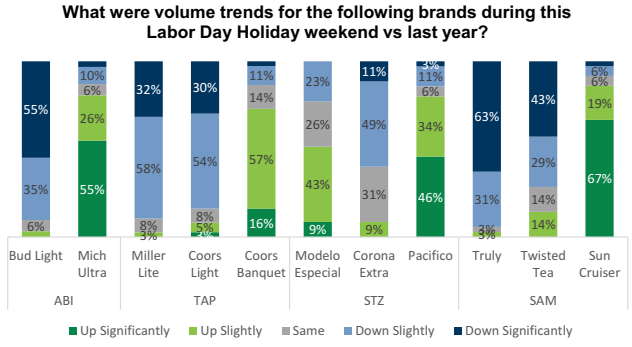
- **SAM** - 76% of distributors indicated that SAM's volumes were down during this Labor Day holiday weekend.
  - A vast majority (94%) of distributors highlighted that Truly volumes were down this holiday weekend whereas 71% of distributors indicated Twisted Tea volumes were down.
    - Notably, one distributor shared that Twisted Tea products continue to have out-of-stock issues.
- **HEIN** - 79% of distributors indicated that HEIN's volumes were down during this Labor Day holiday weekend.
- By brand, the majority of distributors indicated that Sun Cruiser (86%), Michelob Ultra (81%), and Pacifico (80%) volumes were up during this Labor Day holiday weekend, while 90% of distributors indicated that Bud Light's volume trends were down during the holiday weekend. The majority of distributors also indicated lower volumes for Miller Lite (90%) and Coors Light (84%).

Exhibit 12: Distributors saw mixed trends over the Labor Day holiday, with strength led by STZ & ABI but weakness led by TAP & SAM



Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 13: By brand, the majority of distributors indicated the strongest volume trends over the Labor Day holiday weekend for Sun Cruiser, Michelob Ultra, and Pacifico, followed by Coors Banquet & Modelo Especial



Source: Data compiled by Goldman Sachs Global Investment Research

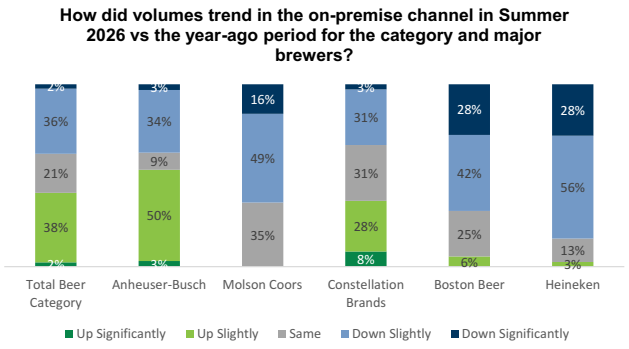
On-premise - Volumes were mixed in the on-premise channel this summer, but ABI & STZ screened better than peers

Overall, 40% of distributors indicated that volumes were up y/y in the on-premise channel this summer compared to the year ago period for the beer category, but 38% of distributors indicated that on-premise volumes were down y/y. Furthermore, 53% of distributors indicated that ABI's volumes were up in the on-premise channel this summer and 36% distributors noted that STZ's volumes were up. However, HEIN, SAM and TAP's volumes were weak in the on-premise channel this summer, with 85% of distributors indicating HEIN's volumes were down, 69% indicating SAM's volumes were down and 65% indicating TAP's volumes were down.

In terms of specific brands and manufacturers, our contacts indicated:

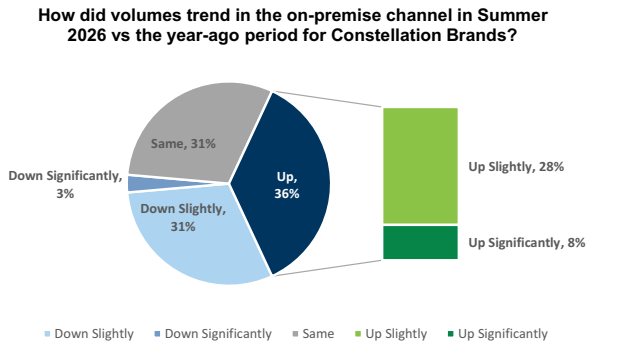
- ABI's Michelob Ultra and Busch Light continue to accelerate in the on-premise channel.
  - Specifically, one distributor noted that while Michelob Ultra's performance has been strong, it is not making up for Bud Light's losses.
  - Another distributor indicated Michelob Ultra continues to take share in the on-premise channel and another indicated ABI seems to be taking their focus away from Bud Light.
  - A third distributor noted Michelob Ultra continues to grow, while Modelo has been holding its own.
- STZ's brands broadly performed well in the on-premise channel - with Modelo, Pacifico, and Corona being standouts.
  - One distributor noted Modelo and Pacifico are growth leaders in their market.
- Spirit-based RTDs continue to outperform in the on-premise channel.
  - One distributor indicated Cutwater and NUTRL are experiencing growth, while another noted Sun Cruiser is resonating/growing in the on-premise channel.

Exhibit 14: 40% of distributors reported volumes trends were up in the on-premise channel this summer



Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 15: 36% of distributors indicated STZ's volumes were up in the on-premise channel this summer vs the year ago period



Source: Data compiled by Goldman Sachs Global Investment Research

Promo Environment - Broadly rational, with most distributors citing a normal environment

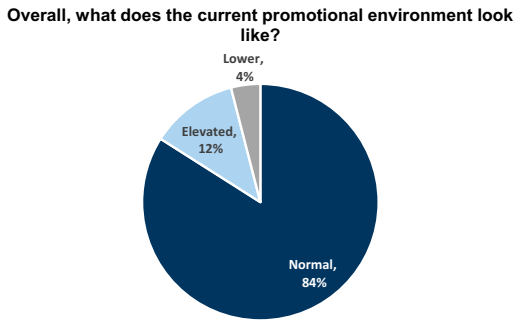
- 84% of distributors described the promotional environment as normal right now and similar to last year, while 12% of distributors highlighted the promotional environment is elevated.
  - One distributor expects no price increases on beer this year and believes even if suppliers implemented one, they would need to reverse it.
  - Another distributor has heard the more pressured brands/manufacturers want to discount, but nothing has been confirmed yet.
  - A third distributor expects to see minimal, if any, increases on promotions,

which would include the potential for an increase in tactical promotions for certain packages.

- Another distributor has not seen elevated promotional activity in 2026 so far but is hopeful promotions will increase in 2027.
- Another respondent believes higher inflation creates a concern for discretionary spending, but still believes price increases are likely in the near-term.
- The distributors who reported elevated promotional activity cited seeing plenty of rebates, aggressive deals to move products sitting on floors currently, and larger chain discounts still being overly aggressive around the holidays.

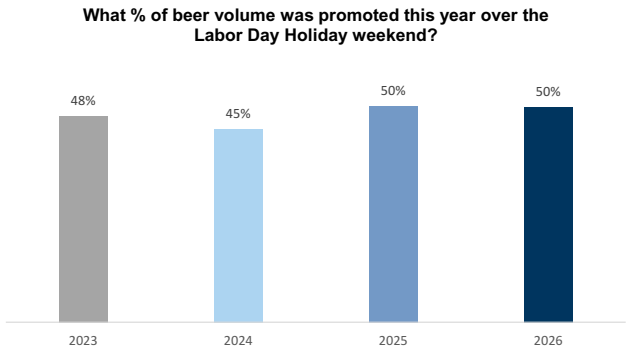
- Overall, distributors indicated that ~50% of beer volume was promoted this year over the Labor Day holiday weekend, in-line with ~50% of volume promoted last year - though more elevated compared to ~45% in 2024 and ~48% in 2023 during the Labor Day holiday weekends.
- 56% of distributors highlighted ABI & TAP as the most promotional manufacturers over the holiday weekend, followed by 19% for STZ and 9% for SAM.
- For the rest of the year, 58% of the distributors suggested that promotional activity will remain unchanged, while 32% expect elevated promotional activity ahead.
  - A couple of distributors expect promotions on RTDs to increase in intensity as the year progresses.
  - One distributor noted there is more pressure from retailers to be more aggressive with promotions.
  - Another expects promotions to be overly aggressive during the holidays.
- A few distributors heard that ABI will be implementing price increases in February 2027, with another distributor indicating TAP could implement a price increase in February 2027 as well.

Exhibit 16: A vast majority of distributors report seeing normal promo activity



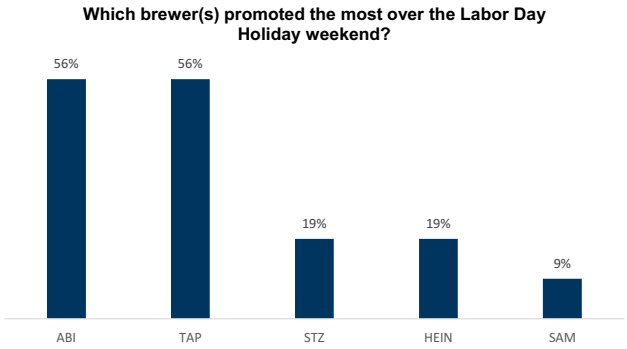
Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 17: Distributors on average reported ~50% of beer volume was promoted this year, in-line with last year



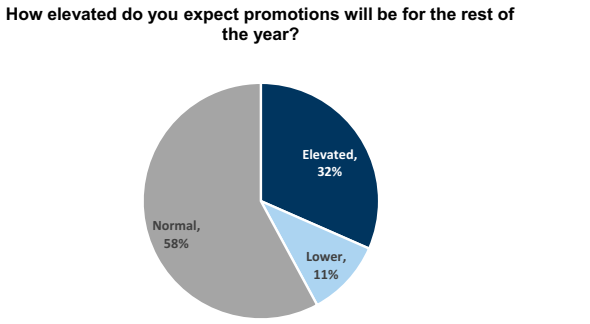
Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 18: ABI & TAP were the most promotional manufacturers over the Labor Day holiday weekend



Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 19: Many distributors expect promotional activity to remain unchanged for the rest of the year



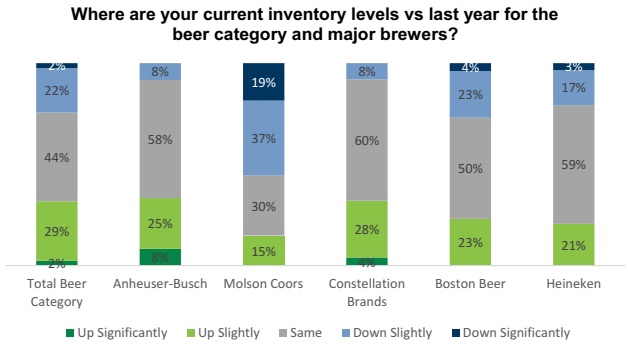
Source: Data compiled by Goldman Sachs Global Investment Research

Inventory Levels - Appear slightly elevated exiting the summer due to lower sales and volumes

- Overall, beer inventory levels sound slightly elevated, with 31% of distributors indicating total beer category inventory levels are up relative to last year, though 44% of the distributors suggested that inventory levels are the same and 24% report inventory levels are down. Among those who called out higher inventory levels, they attributed this to slower volumes and sales, which may lead to distributors having more beer than usual exiting the summer season, which creates the potential for promotions to draw down inventory. Notably, one distributor noted a shortage of CDL drivers relative to available loads could impact inventory levels.
  - **STZ** - 32% of the distributors noted that STZ's inventory levels are up vs. a year ago, while 60% of distributors stated levels are the same and 8% noted levels are lower vs a year ago.
  - **ABI** - 33% of distributors noted that their inventory levels for ABI are up vs. a year ago, while 58% stated levels are the same and 8% noted levels are lower vs a year ago.
    - Notably, inventory sits at 15-17 days for ABI and 11-14 days for STZ exiting the summer for one distributor. However, this year average inventory for ABI sits at 29-30 days and 18 days for STZ.
  - **TAP** - 15% of distributors indicated that TAP inventory levels were up relative to last year, while 30% stated levels are the same and 56% noted levels are lower vs a year ago.
    - One distributor shared that TAP is having significant issues with multiple brands, and they have had difficultly resolving the issue with TAP.
    - A South Carolina distributor indicated TAP has been struggling to get shipments to them and this issue has cost the distributor 100,000 cases with out-of-stock issues.
  - **SAM** - 23% of distributors indicated that SAM inventory levels were up relative

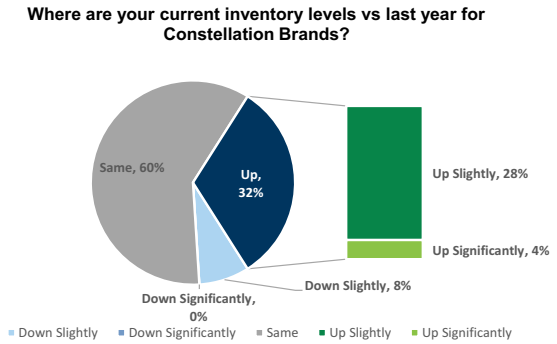
to last year. Meanwhile, 50% stated levels are the same and 27% noted levels are lower vs a year ago.

Exhibit 20: Beer distributor inventory levels are most elevated for ABI relative to last year, followed by STZ and SAM



Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 21: STZ inventory is currently elevated according to our distributor contacts



Source: Data compiled by Goldman Sachs Global Investment Research

Shelf/Cooler Space - Distributors expect retailers to reduce space for beer this year but allocate more space to STZ & ABI at the expense of HEIN & SAM

Most distributors (57%) don't expect retailers to change the amount of shelf/cooler space they have allocated to the beer category this year, but many distributors expect shelf space to shift amongst brewers/brands with STZ and ABI the big winners and HEIN and SAM being the biggest space donors. In total, our distributor contacts believe beer will lose -1.5% in space this year - as some distributors expect the beer category to lose shelf space (led by craft beer) to Spirit-based RTDs and some THC beverages. This is consistent with what we heard from CASY's mgmt during their FQ1 earnings call when they suggested they are leaning heavier on space for the liquor category, but likely taking space away from the beer category. Additionally, one distributor shared that a large c-store chain converted an entire door of cooler space from beer to non-alcoholic beverages this year in 70% of their stores. When it comes to specific brands, one distributor believes Michelob Ultra, Spirit-based RTDs, Coors Banquet, and Modelo will gain more shelf/cooler space this year, while Truly, Bud Light, and Coors light will cede space.

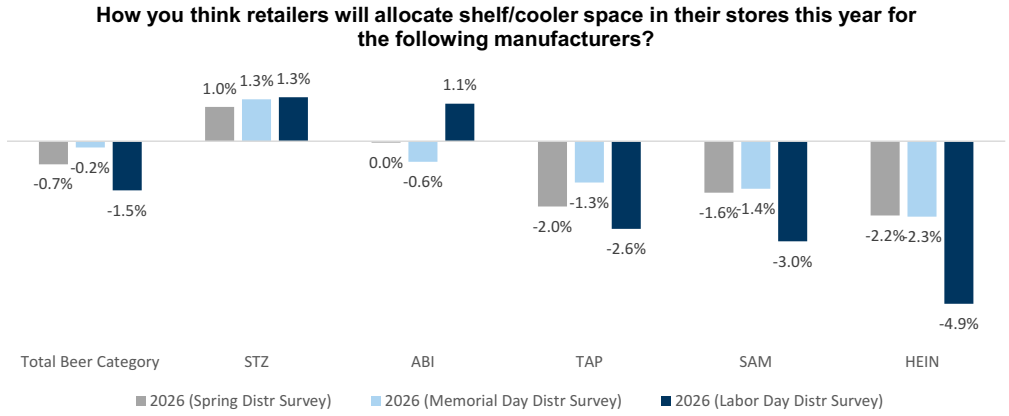
By brewer:

- **STZ**: A majority of distributors (45%) expect retailers to allocate more shelf/cooler space to STZ this year. Space for STZ is expected to increase +1.3% on a weighted average store basis (vs. +1.3% in our May survey).
  - One distributor noted retailers have already added RTDs to their coolers, so they expect the next round of resets to be a re-allocation of space within the traditional beer brands - with STZ being a gainer of space.
- **ABI**: 46% of distributors expect retailers to allocate more shelf/cooler space to ABI this year. On a weighted average store basis, space for ABI is expected to increase

+1.1% (better than the -0.6% expectation in our May survey).

- **TAP**: A vast majority of distributors (68%) expect retailers to allocate less shelf/cooler space to TAP this year, while 32% of distributors expect retailers allocation of space to TAP to remain unchanged. Space for TAP is expected to fall -2.6% on a weighted average store basis (vs. -1.3% in our May survey).
- **SAM**: 77% of distributors expect retailers to allocate less shelf/cooler space to SAM this year. Distributors surveyed expect shelf/cooler to decrease for SAM by -3.0% on a weighted average store basis (vs. -1.4% in our May survey).
- **HEIN**: 66% of distributors expect retailers to decrease space for HEIN this year while 32% expect retailers to allocate the same amount of space. Distributors surveyed expect shelf/cooler space for HEIN to decrease by -4.9% this year on a weighted average store basis (vs. -2.3% in our May survey).

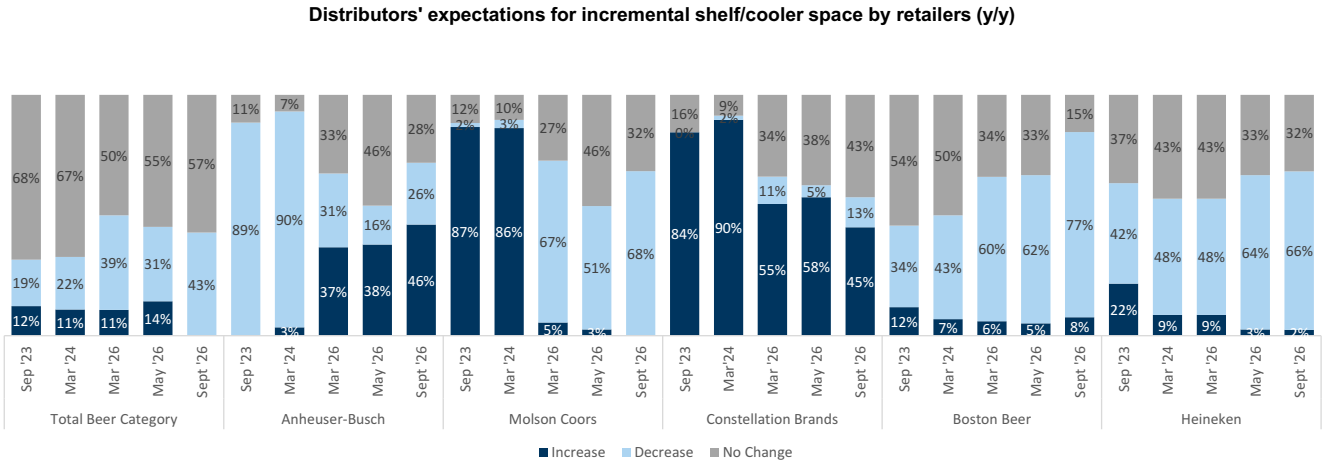
Exhibit 22: STZ & ABI are expected to be the biggest shelf/cooler space gainers this year, while HEIN and SAM are expected to be the biggest space donors



Spring and Memorial Day survey results based on spring reset expectations

Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 23: Distributors expect strong shelf space gains for STZ & ABI this year



Spring and Memorial Day survey results based on spring reset expectations

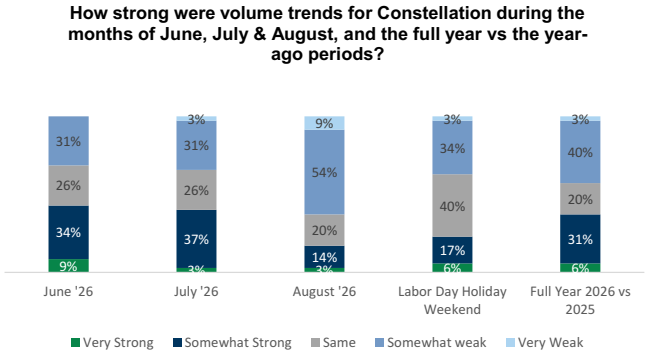
Source: Data compiled by Goldman Sachs Global Investment Research

STZ Volume Trends - Sequential deceleration in volume trends through August

- STZ's volume trends decelerated through the summer - with a majority of distributors (63%) indicating that trends were weaker in August on a y/y basis and only 17% of distributors noting volumes were stronger. Further, STZ volume trends during the Labor Day holiday weekend were more challenged than Cinco de Mayo this year, with only 23% of distributors reporting stronger volume trends during Labor Day weekend this year vs 31% highlighting stronger trends on a y/y basis during Cinco de Mayo.
- However, STZ started the summer with stronger trends as 43% of distributors indicated strong volume trends for STZ in June and 40% of distributors indicated strong volume trends in July on a y/y basis (vs only 17% of distributors indicating stronger volume in August).
  - One distributor noted STZ's volumes are ~flat, which is better than the category. The distributor would like to see STZ's volumes grow +7-10% but believes that is unlikely in the short term.
  - Another distributor provided color on STZ's brands and noted Pacifico is posting strong double-digit growth off of a huge base, the new pricing program on Corona Premier and Modelo Oro (which makes the brands competitive with Michelob Ultra) is slowly helping, and Modelo has had a nice rebound in 2026.
  - Additionally, some of our distributors based in Texas and Florida shared that the Hispanic consumer is still under pressure. One distributor indicated that immigration enforcement has affected population growth and changed consumer behavior and spending habits.

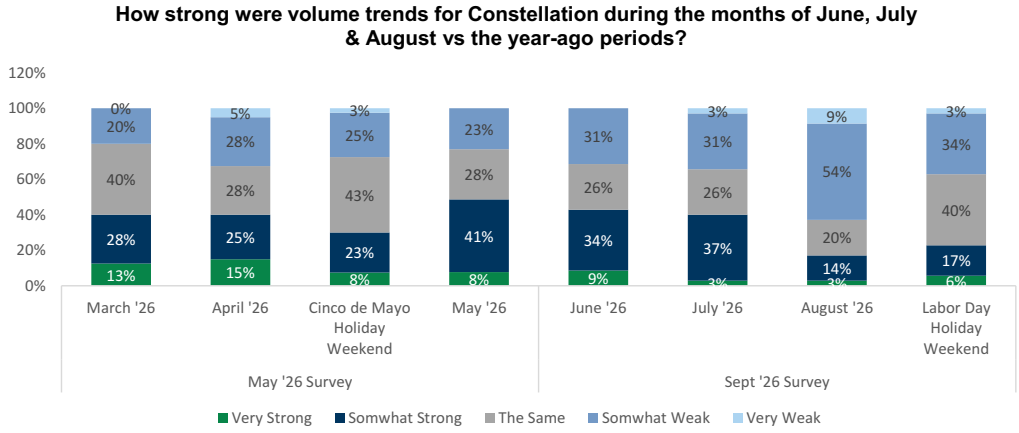
- For the full year, 43% of distributors expect volume trends to be weak for STZ, 37% of distributors expect volume trends to be strong and 20% expect trends to remain the same in 2026 (vs 2025).

Exhibit 24: STZ volume trends accelerated month-to-month this summer although trends improved during the Labor Day holiday



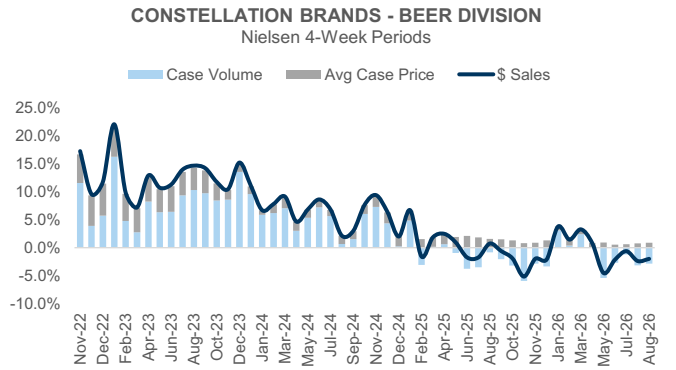
Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 25: STZ's monthly volume trends



Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 26: Constellation Brands - Retail $ Sales Trends

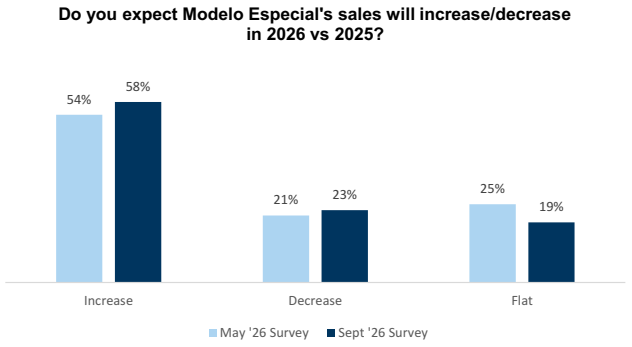


Source: NielsenIQ

Modelo Especial - Distributors are slightly more optimistic and expect Modelo's sales to grow this year

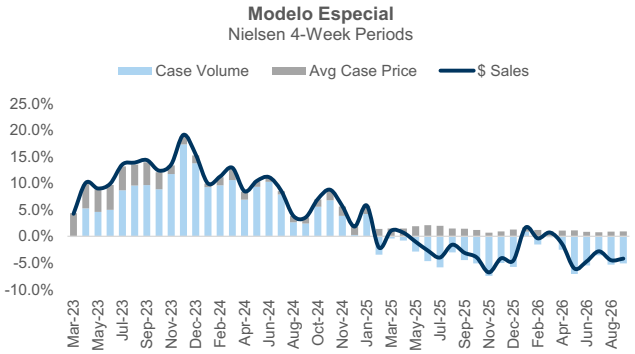
- A majority of distributors (58%) expect Modelo Especial sales to increase this year (vs 2025) - higher than the 54% of distributors who expected sales to increase this year in our May survey. Also, 19% of distributors (vs. 25% in our May survey) expect Modelo Especial's sales will remain flat this year and 23% (vs. 21% in our May survey) expect a decrease in sales.
- Distributors who are positive on the brand cited:
  - Modelo is seeing consistent double-digit growth, according to one distributor. The distributor expects the strong growth to continue for the rest of the year.
  - Modelo is performing well, but is trailing Pacifico's growth.
  - The brand has rebounded after a weak 2025.
  - Despite being in a mature Constellation market, Modelo is outpacing the portfolio and the imports category according to another distributor. The distributor expects Modelo to grow +10% this year.
  - Modelo sales growth has softened in some markets, but is still positive.
- However, some distributors expressed concerns, including:
  - Modelo's growth is starting to decelerate.
  - Modelo is expected to decline this year as the brand is not performing well according to one distributor.
  - As long as the Hispanic consumer remains under pressure from immigration enforcement, Modelo and STZ's entire portfolio will be weak. The distributor estimates Modelo will decrease in 2026 and 2027 as a result of the immigration headwind.

Exhibit 27: The majority of distributors expect Modelo Especial's sales to increase this year vs last year



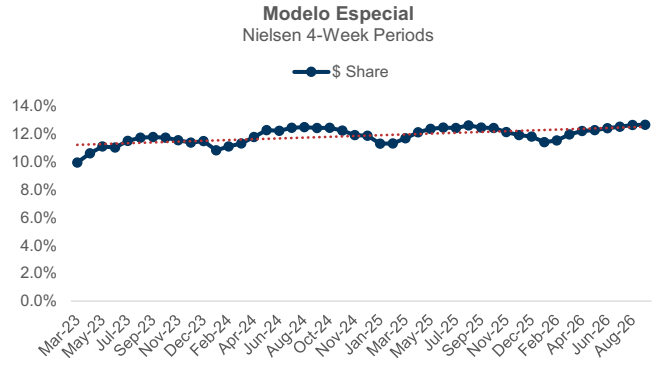
Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 28: Modelo Especial - Retail $ Sales Trends



Source: NielsenIQ

Exhibit 29: Modelo Especial - Retail $ Share Trends



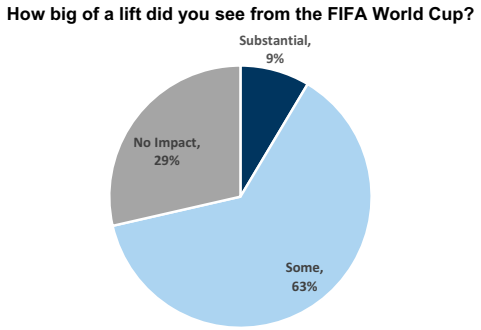
Source: NielsenIQ

FIFA World Cup - Distributors cite modest volume lift, led by the on-premise channel

- A majority of distributors (72%) saw a lift in volumes during the FIFA World Cup. Distributors noted that the World Cup had the largest impact in the on-premise channel given the matches provided incremental drinking occasions in June and July. Further, more distributors in host cities cited the World Cup provided a substantial lift to volumes, as expected. Overall, STZ and ABI were seen as the main beneficiaries of the World Cup.
  - One distributor noted they did not see a big lift in their market since it was not a host city, but did see the World Cup bring excitement to the on-premise channel. The same distributor believes ABI and STZ benefited the most from the World Cup.
  - Overall volume trends did not meet one distributor's expectations in the off-premise channel during the World Cup. However, the distributor believes volume trends met expectations in the on-premise channel and sees ABI as the main winner of the World Cup.

- Another distributor saw limited impact to volumes during the World Cup, but did see a lift in RTDs.

Exhibit 30: A majority of distributors saw a lift in volumes during the FIFA World Cup



Source: Data compiled by Goldman Sachs Global Investment Research

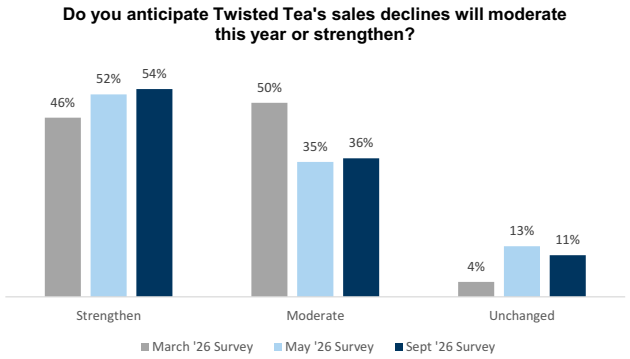
SAM's Brands - Twisted Tea & Truly remain pressured, while Sun Cruiser remains a bright spot although distributors now expect its growth to decelerate

- Distributors expect **Twisted Tea**'s declines to strengthen this year, which does not come as a surprise given the deceleration we've seen for the brand in the tracked channel data. Specifically, 55% of distributors indicated they expect Twisted Tea's declines to strengthen (vs. 52% in our May survey) while 36% of distributors believe Twisted Tea's declines will moderate (vs. 35% in our May survey) and 11% believe Twisted Tea's declines will remain unchanged (vs. 13% in our May survey). The distributors who believe declines will strengthen cite increased competition in the hard tea category and from Spirit-Based RTD cocktails.
  - One distributor expects Twisted Tea's declines to persist as the hard tea category has matured and RTD brands continue to enter the market.
  - Similarly, a pathway to growth will be challenging for Twisted Tea as consumers have similar RTD options.
  - Despite the RTD Tea category performing well, one distributor believes Twisted Tea's declining trend will continue as there has been cannibalization in the category.
  - On a more positive note, one distributor believes Boston Beer is a great partner and Twisted Tea is a great franchise, but acknowledged both are being challenged. Ultimately, the distributor believes trends may improve slightly.
  - Another distributor thinks Twisted Tea Extreme (high ABV) will offset some of the declines of the Twisted Tea flagship brand, but acknowledged that stopping the losses to Surfside and Sun Cruiser will be difficult.
- 94% of distributors we surveyed remain negative on **Truly** and don't see signs that the brand's momentum is improving.

- On that note, one respondent indicated Truly is very challenged and would recommend SAM refocus marketing dollars on other brands in its portfolio.
- Similarly, another distributor believes SAM should take investment dollars from Truly and put them behind Sun Cruiser.
- A few distributors believe Truly is struggling because of heightened competition from RTDs.
- Other distributors believe there is no end in sight for Truly's declines and have less confidence in the brand stabilizing.
- However, a couple of distributors had more optimistic sentiments regarding Truly, with one highlighting Truly's trends have improved slightly (due to the cycling of weaker comps from last year) and Truly Unruly and innovation in seasonal variety packs are providing some momentum to the Truly brand. Another indicated Truly may be able to improve if carbonated drinks become popular again.

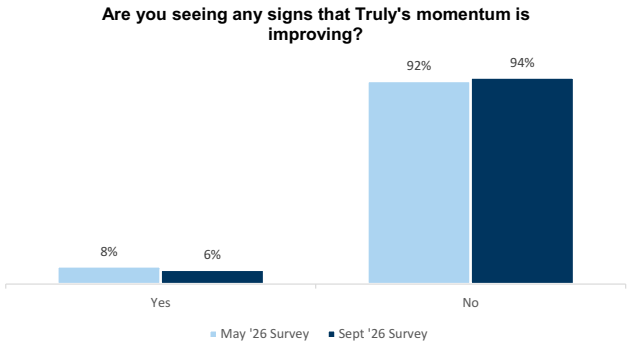
- **Sun Cruiser** is seen as a bright spot for SAM and most distributors (95%) expect Sun Cruiser's growth to remain strong this year. However, distributors are now more split on whether Sun Cruiser's growth will accelerate or decelerate this year with 39% of distributors expecting Sun Cruiser's growth to decelerate in 2H vs 1H (vs. 22% in our May survey), while 39% of distributors expect Sun Cruiser's growth to accelerate (vs. 67% in our May survey) and 22% expect growth to remain the same for the brand (vs. 11% in our May survey).
  - Indeed, one distributor believes Sun Cruiser's growth will remain strong this year but acknowledged they expect a deceleration in growth in 2H as the brand cycles tough comparisons from last year.
  - In a similar vein, another distributor believes Sun Cruiser will continue to grow but noted trends have slowed down.
  - A third distributor noted Sun Cruiser seems to have cemented itself as the #2 RTD Tea brand and momentum should continue to build as the category grows. Longer-term, the distributor hopes Sun Cruiser does not follow the path of Truly.
  - Another distributor believes Sun Cruiser will decelerate but from very high levels. Sun Cruiser is doing well but not as well as Surfside, according to the distributor. Notably, the distributor believes SAM should remain price disciplined, but noted that SAM has been offering BOGO discounts to catch up to Surfside - but the strategy has not been working.
  - Another respondent noted Sun Cruiser is maintaining some of its momentum. However, the brand is cycling difficult comparisons and the distributor has already begun to see a deceleration in growth. The distributor forecasts Sun Cruiser's growth in 2027 will be between +30% and +40%.

Exhibit 31: Distributors believe Twisted Tea's sales declines will strengthen this year



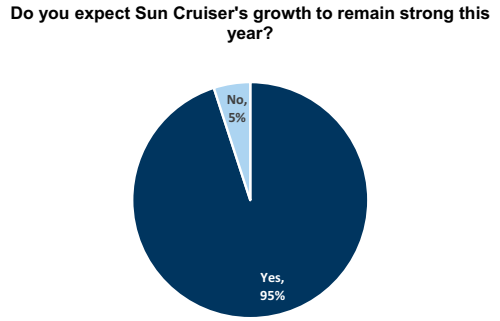
Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 32: Truly's momentum is not improving and the brand's sales and volume continues to decelerate



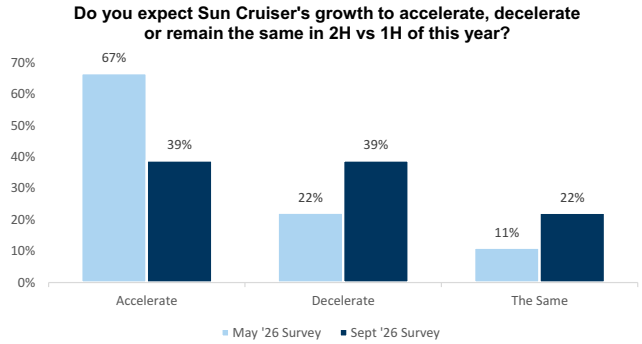
Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 33: Distributors believe Sun Cruiser's growth will remain strong this year



Source: Data compiled by Goldman Sachs Global Investment Research

Exhibit 34: Distributors are split on whether Sun Cruiser's growth will accelerate or decelerate in 2H compared to 1H of this year



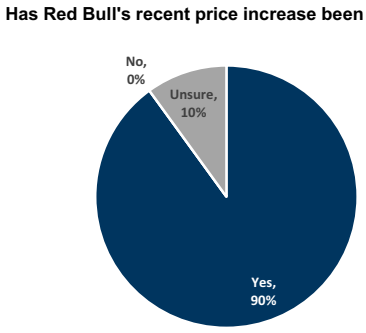
Source: Data compiled by Goldman Sachs Global Investment Research

Red Bull Price Increase - Broadly accepted by distributors, but Kroger has challenged the price increase

- Distributors noted that Red Bull's recent price increase (which went into effect on August 1st) is broadly sticking - with one distributor noting Red Bull is the market leader in the energy drink category and hadn't raised price in years. Another distributor noted only a handful of brands could get away with a price increase this year and believes Red Bull could be one of them. However, a couple of distributors had negative sentiments around the price increase, with one distributor believing the increase was a bit aggressive - though the distributor believes Red Bull's position as the #1 brand in one of the largest categories makes it hard for retailers not to accept the increase. Other distributors seem to agree, considering 90% of distributors expect Red Bull's price increase has been sticking.
- Notably, we learned several weeks ago that Kroger has challenged Red Bull's price increase and has stopped accepting Red Bull deliveries from distributors. This comes

as a surprise considering Kroger is one of the largest retailers and Red Bull is one of the largest energy drink brands in the country. As a result, we believe there could be some risk that other retailers also try to push back, which could significantly impact Red Bull's sales.

Exhibit 35: A majority of our distributor contacts indicated Red Bull price increases are sticking



Source: Data compiled by Goldman Sachs Global Investment Research

STZ Summary Model

Exhibit 36: STZ Summary Model
$ mn, except per-share data

STZ Summary Model	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	1Q27	2Q27E	3Q27E	4Q27E	FY27E	FY28E	FY29E
Net Sales	**7,581**	**8,116**	**8,344**	**8,615**	**8,821**	**9,453**	**9,939**	**9,498**	**9,139**	**2,433**	**2,574**	**2,315**	**1,935**	**9,256**	**9,486**	**9,773**
% Growth	*3.4%*	*7.1%*	*2.8%*	*3.3%*	*10.6%*	*7.2%*	*5.1%*	*-4.4%*	*-3.8%*	*-3.3%*	*3.8%*	*4.1%*	*0.8%*	*1.3%*	*2.5%*	*3.0%*
Gross Profit	**3,841**	**4,110**	**4,314**	**4,518**	**4,625**	**4,865**	**5,067**	**5,308**	**4,693**	**1,282**	**1,349**	**1,188**	**960**	**4,780**	**4,938**	**5,112**
Gross Margin	*50.7%*	*50.6%*	*51.7%*	*52.4%*	*52.4%*	*51.5%*	*51.0%*	*55.9%*	*51.4%*	*52.7%*	*52.4%*	*51.3%*	*49.6%*	*51.6%*	*52.0%*	*52.3%*
% Growth	*9.4%*	*7.0%*	*5.0%*	*4.7%*	*8.4%*	*5.2%*	*4.2%*	*4.8%*	*-11.6%*	*-0.1%*	*4.2%*	*1.6%*	*1.5%*	*1.8%*	*3.3%*	*3.5%*
SG&A (pre-corp)	**-1,372**	**-1,494**	**-1,582**	**-1,630**	**-1,689**	**-1,828**	**-1,805**	**-1,834**	**-1,750**	**-448**	**-479**	**-502**	**-423**	**-1,852**	**-1,834**	**-1,901**
% of Net Sales	*-18.1%*	*-18.4%*	*-19.0%*	*-18.9%*	*-19.1%*	*-19.3%*	*-18.2%*	*-19.3%*	*-19.2%*	*-18.4%*	*-18.6%*	*-21.7%*	*-21.9%*	*-20.0%*	*-19.3%*	*-19.5%*
Operating Income	**2,469**	**2,616**	**2,732**	**2,888**	**2,936**	**3,037**	**3,263**	**3,475**	**2,943**	**834**	**870**	**686**	**537**	**2,928**	**3,104**	**3,211**
Operating Margin	*32.6%*	*32.2%*	*32.7%*	*33.5%*	*33.3%*	*32.1%*	*32.8%*	*36.6%*	*32.2%*	*34.3%*	*33.8%*	*29.6%*	*27.8%*	*31.6%*	*32.7%*	*32.9%*
% Growth	*12.4%*	*6.0%*	*4.4%*	*5.7%*	*6.9%*	*3.4%*	*7.4%*	*6.5%*	*-15.3%*	*3.0%*	*-1.8%*	*-7.1%*	*5.8%*	*-0.5%*	*6.0%*	*3.5%*
JV Income	35	33	33	31	31	30	14	23	19	1	1	20	-5	17	10	11
CGC/WEED Equity Income	0	-17	-222	-146	-178	-158	-65	0	0	0	0	0	0	0	0	0
Total Unconsol Investments	**35**	**17**	**-189**	**-115**	**-147**	**-128**	**-51**	**23**	**19**	**1**	**1**	**20**	**-5**	**17**	**10**	**11**
Interest Expense, Net	-332	-387	-429	-386	-356	-399	-435	-409	-351	-86	-86	-86	-91	-349	-358	-358
Pretax Income, Excl Canopy	**2,171**	**2,262**	**2,337**	**2,534**	**2,610**	**2,668**	**2,841**	**3,089**	**2,612**	**749**	**785**	**620**	**442**	**2,595**	**2,756**	**2,864**
Income Taxes, Excl Canopy	-413	-411	-377	-460	-456	-513	-527	-528	-467	-141	-161	-130	-91	-523	-607	-631
Eff Tax Rate, Excl CGC Losses	*19.0%*	*18.2%*	*16.1%*	*18.2%*	*17.5%*	*19.2%*	*18.6%*	*17.1%*	*17.9%*	*18.8%*	*20.5%*	*21.0%*	*20.7%*	*20.1%*	*22.0%*	*22.0%*
Non-Controlling Interest	-12	-23	-33	-34	-41	-33	-38	-54	-70	-18	-15	-15	-20	-68	-60	-60
Net Income, Excl Canopy	**1,746**	**1,828**	**1,926**	**2,040**	**2,113**	**2,123**	**2,276**	**2,507**	**2,075**	**591**	**609**	**475**	**330**	**2,004**	**2,089**	**2,173**
Diluted shares outstanding	201	196	195	195	192	186	184	182	176	172	171	169	168	170	164	159
Comparable EPS, Excl Canopy	**$8.70**	**$9.35**	**$9.89**	**$10.44**	**$10.99**	**$11.40**	**$12.37**	**$13.78**	**$11.82**	**$3.43**	**$3.56**	**$2.80**	**$1.97**	**$11.78**	**$12.72**	**$13.69**
Comp EPS Growth, Excl CGC	*28.6%*	*7.5%*	*5.7%*	*5.6%*	*12.9%*	*3.7%*	*8.5%*	*11.4%*	*-14.2%*	*6.4%*	*-1.8%*	*-8.4%*	*3.6%*	*-0.3%*	*8.0%*	*7.6%*

Source: Company data, Goldman Sachs Global Investment Research

TAP Summary Model

Exhibit 37: TAP Summary Model
$ mn, except per-share data

TAP Summary Model	FY17R	FY18	FY19R	FY20	FY21	FY22	FY23	FY24	FY025	1Q26	2Q26	3Q26E	4Q26E	FY26E	FY27E	FY28E
Net Sales	**11,002.8**	**10,769.6**	**10,579.4**	**9,684.3**	**10,279.5**	**10,701.0**	**11,702.1**	**11,627.0**	**11,140.8**	**2,351.1**	**3,096.5**	**2,945.7**	**2,706.9**	**11,100.2**	**11,472.1**	**11,681.7**
% Growth	*0.2%*	*-2.1%*	*-1.8%*	*-8.5%*	*6.1%*	*4.1%*	*9.4%*	*-0.6%*	*-4.2%*	*2.0%*	*-3.3%*	*-0.9%*	*1.7%*	*-0.4%*	*3.4%*	*1.8%*
Gross Profit	**4,703.7**	**4,355.9**	**4,204.7**	**3,718.3**	**3,816.6**	**3,881.0**	**4,467.7**	**4,493.0**	**4,237.6**	**808.0**	**1,154.3**	**1,088.4**	**920.7**	**3,971.4**	**4,109.9**	**4,153.9**
Gross Profit Margin	*42.8%*	*40.4%*	*39.7%*	*38.4%*	*37.1%*	*36.3%*	*38.2%*	*38.6%*	*38.0%*	*34.4%*	*37.3%*	*36.9%*	*34.0%*	*35.8%*	*35.8%*	*35.6%*
% Growth	*2.3%*	*-7.4%*	*-3.5%*	*-11.6%*	*2.6%*	*1.7%*	*15.1%*	*0.6%*	*-5.7%*	*-2.9%*	*-9.5%*	*-6.4%*	*-4.9%*	*-6.3%*	*3.5%*	*1.1%*
Marketing, Gen & Admin Exp	**-3,266.2**	**-2,763.9**	**-2,703.0**	**-2,434.7**	**-2,552.3**	**-2,562.1**	**-2,775.2**	**-2,716.1**	**-2,644.0**	**-610.0**	**-718.5**	**-684.8**	**-608.8**	**-2,622.0**	**-2,638.9**	**-2,682.2**
% of Net Sales	*-29.7%*	*-25.7%*	*-25.5%*	*-25.1%*	*-24.8%*	*-23.9%*	*-23.7%*	*-23.4%*	*-23.7%*	*-25.9%*	*-23.2%*	*-23.2%*	*-22.5%*	*-23.6%*	*-23.0%*	*-23.0%*
% Growth		*-15.4%*	*-2.2%*	*-9.9%*	*4.8%*	*0.4%*	*8.3%*	*-2.1%*	*-2.7%*	*-6.6%*	*3.6%*	*-0.3%*	*-0.4%*	*-0.8%*	*0.6%*	*1.6%*
Equity in MillerCoors	234.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adj Operating Income	**1,672.3**	**1,592.0**	**1,501.7**	**1,283.6**	**1,264.3**	**1,318.9**	**1,692.5**	**1,776.9**	**1,593.6**	**198.0**	**435.8**	**403.6**	**311.9**	**1,349.3**	**1,471.0**	**1,471.7**
Adj Operating Margin	*15.2%*	*14.8%*	*14.2%*	*13.3%*	*12.3%*	*12.3%*	*14.5%*	*15.3%*	*14.3%*	*8.4%*	*14.1%*	*13.7%*	*11.5%*	*12.2%*	*12.8%*	*12.6%*
% Growth	*1.8%*	*-4.8%*	*-5.7%*	*-14.5%*	*-1.5%*	*4.3%*	*28.3%*	*5.0%*	*-10.3%*	*10.6%*	*-25.1%*	*-15.1%*	*-12.7%*	*-15.3%*	*9.0%*	*0.0%*
Net Interest	-343.3	-298.2	-272.7	-271.3	-258.3	-246.3	-208.6	-247.3	-227.3	-57.6	-60.5	-71.4	-70.7	-260.2	-299.0	-252.3
Other Income (Net)	32.0	34.9	35.0	38.8	43.5	32.2	47.3	80.9	-7.1	7.5	7.9	9.0	9.0	33.4	35.0	35.0
Pretax Income	**1,361.0**	**1,328.7**	**1,264.0**	**1,051.1**	**1,049.5**	**1,104.8**	**1,531.2**	**1,610.5**	**1,359.2**	**147.9**	**383.2**	**341.2**	**250.2**	**1,122.6**	**1,207.0**	**1,254.4**
Taxes	-370.2	-219.6	-274.9	-199.6	-145.0	-212.5	-304.3	-351.7	-299.6	-33.4	-85.8	-80.2	-58.8	-258.2	-284.2	-295.3
Tax Rate	*27.2%*	*16.5%*	*21.8%*	*19.0%*	*13.8%*	*19.2%*	*22.5%*	*21.8%*	*22.0%*	*22.6%*	*22.4%*	*23.5%*	*23.5%*	*23.0%*	*23.5%*	*23.5%*
Inc bfr noncontrolling interests	990.8	1,109.1	989.1	851.5	904.5	892.3	1,226.9	1,258.8	1,059.6	114.5	297.4	261.1	191.4	864.4	922.8	959.0
Noncontrolling interests	-22.2	-17.9	-4.1	0.2	-2.4	0.3	-47.5	-8.8	22.4	3.0	-0.8	3.0	1.0	6.2	-37.0	-37.0
Net Income	**968.6**	**1,091.2**	**985.0**	**851.7**	**902.1**	**892.6**	**1,179.4**	**1,250.0**	**1,082.0**	**117.5**	**296.6**	**264.1**	**192.4**	**870.6**	**885.8**	**922.0**
Diluted EPS	**$4.47**	**$5.04**	**$4.54**	**$3.93**	**$4.15**	**$4.10**	**$5.43**	**$5.96**	**$5.42**	**$0.62**	**$1.58**	**$1.42**	**$1.05**	**$4.67**	**$5.01**	**$5.42**
% Growth	*3.3%*	*12.6%*	*-9.8%*	*-13.6%*	*5.7%*	*-1.1%*	*32.2%*	*9.7%*	*-9.0%*	*24.4%*	*-22.9%*	*-15.0%*	*-13.2%*	*-13.8%*	*7.3%*	*8.3%*
Wtd Avg Shares - Diluted	216.5	216.6	216.9	217.0	217.5	217.5	217.3	209.9	199.7	189.4	187.7	185.7	182.8	186.4	176.8	170.0
Financial Volume Growth	0.0%	-2.9%	-4.0%	-8.9%	-0.5%	-2.1%	1.8%	-5.0%	-8.6%	-2.9%	-5.4%	-2.8%	-0.5%	-3.1%	1.4%	0.7%
Net Sales Ex Currency Growth	0.0%	-2.7%	-0.6%	-8.7%	4.7%	7.0%	9.3%	-0.6%	-4.8%	0.1%	-3.6%	-0.9%	1.7%	-0.9%	3.4%	1.8%
EBITDA Ex Currency Growth	0.0%	-1.5%	-2.6%	-10.0%	-3.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Source: Company data, Goldman Sachs Global Investment Research

SAM Summary Model

Exhibit 38: SAM Summary Model
$ mn, except per-share data

SAM Summary Model	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY025	1Q26	2Q26	3Q26E	4Q26E	FY26E	FY27E	FY28E
Net Revenue	**863.0**	**995.6**	**1,249.8**	**1,736.4**	**2,057.6**	**2,090.3**	**2,008.6**	**2,012.9**	**1,965.0**	**433.9**	**568.3**	**517.3**	**391.8**	**1,911.4**	**1,931.0**	**1,955.4**
% Growth	*-4.8%*	*15.4%*	*25.5%*	*38.9%*	*18.5%*	*1.6%*	*-3.9%*	*0.2%*	*-2.4%*	*-4.4%*	*-3.3%*	*-3.8%*	*1.6%*	*-2.7%*	*1.0%*	*1.3%*
Gross Profit	**449.9**	**512.2**	**614.2**	**814.5**	**797.8**	**862.0**	**852.4**	**893.7**	**952.6**	**214.0**	**286.4**	**270.6**	**181.2**	**952.2**	**956.9**	**971.5**
Gross Margin	*52.1%*	*51.4%*	*49.1%*	*46.9%*	*38.8%*	*41.2%*	*42.4%*	*44.4%*	*48.5%*	*49.3%*	*50.4%*	*52.3%*	*46.2%*	*49.8%*	*49.6%*	*49.7%*
% Growth	*-2.1%*	*13.9%*	*19.9%*	*32.6%*	*-2.0%*	*8.0%*	*-1.1%*	*4.9%*	*6.6%*	*-2.4%*	*-2.1%*	*-0.9%*	*8.1%*	*0.0%*	*0.5%*	*1.5%*
SG&A	**-334.2**	**-396.4**	**-469.3**	**-570.2**	**-789.8**	**-744.1**	**-735.9**	**-749.1**	**-807.7**	**-192.4**	**-235.0**	**-209.5**	**-199.8**	**-836.7**	**-829.7**	**-832.2**
% of Net Sales	*38.7%*	*39.8%*	*37.5%*	*32.8%*	*38.4%*	*35.6%*	*36.6%*	*37.2%*	*41.1%*	*44.3%*	*41.3%*	*40.5%*	*51.0%*	*43.8%*	*43.0%*	*42.6%*
% Growth	*3.8%*	*18.6%*	*18.4%*	*21.5%*	*38.5%*	*-5.8%*	*-1.1%*	*1.8%*	*7.8%*	*3.7%*	*11.7%*	*-0.7%*	*-0.4%*	*3.6%*	*-0.8%*	*0.3%*
Operating Income	**115.7**	**115.9**	**144.9**	**244.2**	**8.0**	**117.9**	**116.4**	**144.6**	**144.9**	**21.6**	**51.4**	**61.1**	**-18.6**	**115.5**	**127.2**	**139.3**
Operating Margin	*13.4%*	*11.6%*	*11.6%*	*14.1%*	*0.4%*	*5.6%*	*5.8%*	*7.2%*	*7.4%*	*5.0%*	*9.0%*	*11.8%*	*-4.8%*	*6.0%*	*6.6%*	*7.1%*
% Growth	*-16.0%*	*0.2%*	*25.1%*	*68.5%*	*-96.7%*	*1374.2%*	*-1.2%*	*24.2%*	*0.2%*	*-36.1%*	*-37.4%*	*-1.5%*	*-43.6%*	*-20.3%*	*10.2%*	*9.4%*
Interest Expense, net	0.5	0.4	-0.5	0.0	-1.1	0.6	9.6	11.6	8.6	1.5	1.6	1.9	1.9	6.9	7.6	7.6
Pretax Income	**116.1**	**116.3**	**144.4**	**244.2**	**6.9**	**118.5**	**126.0**	**156.2**	**153.5**	**23.1**	**52.9**	**63.0**	**-16.7**	**122.3**	**134.8**	**146.9**
% of Net Sales	*13.5%*	*11.7%*	*11.6%*	*14.1%*	*0.3%*	*5.7%*	*6.3%*	*7.8%*	*7.8%*	*5.3%*	*9.3%*	*12.2%*	*-4.3%*	*6.4%*	*7.0%*	*7.5%*
Income Taxes	-17.1	-23.6	-34.3	-52.3	7.6	-31.3	-38.0	-48.0	-45.0	-5.9	-15.2	-18.0	4.8	-34.3	-39.1	-42.6
Effective Tax Rate	*14.7%*	*20.3%*	*23.8%*	*21.4%*	*-110.6%*	*26.4%*	*30.2%*	*30.7%*	*29.3%*	*25.7%*	*28.7%*	*28.5%*	*28.5%*	*28.1%*	*29.0%*	*29.0%*
Net Income	**99.0**	**92.7**	**110.0**	**192.0**	**14.6**	**87.2**	**88.0**	**108.2**	**108.5**	**17.2**	**37.7**	**45.1**	**-12.0**	**88.0**	**95.8**	**104.3**
Reported GAAP EPS	**$8.09**	**$7.82**	**$9.16**	**$15.53**	**$1.17**	**$7.05**	**$7.17**	**$9.43**	**$9.89**	**$1.64**	**$3.65**	**$4.45**	**-$1.23**	**$8.50**	**$10.21**	**$11.65**
% Growth	*19.1%*	*-3.3%*	*17.1%*	*69.5%*	*-92.5%*	*502.1%*	*1.7%*	*31.6%*	*4.9%*	*-24.3%*	*-33.2%*	*4.6%*	*-41.9%*	*-14.1%*	*20.1%*	*14.0%*
Adj Dil. Shares Outstanding	12.2	11.8	12.0	12.4	12.4	16.0	12.3	11.8	10.9	10.5	10.4	10.1	9.7	10.2	9.3	8.9
Shipment Volume Growth	**-6.2%**	**13.7%**	**23.8%**	**38.8%**	**15.4%**	**-3.8%**	**-6.2%**	**-2.4%**	**-4.7%**	**-6.9%**	**-4.5%**	**-5.1%**	**0.0%**	**-4.2%**	**-0.5%**	**-0.2%**
Depletion Volume Growth	*-6.8%*	*13.0%*	*22.0%*	*37.0%*	*22.0%*	*-5.0%*	*-6.0%*	*-2.0%*	*-4.0%*	*-4.0%*	*-6.0%*	*-4.5%*	*-2.0%*	*-4.1%*	*-0.7%*	*0.5%*
Price/Mix Growth	*1.5%*	*1.6%*	*1.7%*	*0.1%*	*3.1%*	*5.4%*	*2.2%*	*2.5%*	*3.0%*	*1.6%*	*0.8%*	*1.5%*	*1.5%*	*1.3%*	*1.5%*	*1.4%*

Source: Company data, Goldman Sachs Global Investment Research

Valuation, Price Target Methodology, and Key Risks

STZ - Our 12-month price target of $180 is based on an equal-weighted EV/EBITDA of 11.4x and P/E of 14.0x, both of which are based on our Q5-Q8 estimates. Key risks to our estimates and price target include: Modelo/Corona Extra lose traction with consumers; Corona Light does not stabilize/return to growth; greater than expected spike in input cost inflation or lower productivity savings; STZ fails to build its new brewery in Southeastern Mexico.

TAP - Our 12-month price target of $47 (vs $50 prior) is based on an EV/EBITDA multiple of 6.1x (weighted 42.5%), P/E of 8.0x (wtd 42.5%), & M&A value based on EV/EBITDA of 9.4x (wtd 15%) all based on our updated Q5-Q8 estimates. Key risks include: TAP cedes recent market share gains to Bud Light as that brand recovers; acceleration plan fails to deliver mgmt's intended transformation across the broader beer/FMB portfolio, driving declines in TAP's beer volume and market share (across both core economy SKUs and Above Premium beer/FMB) or consumer preferences shift away from mainstream/budget-priced beer and TAP's Beyond Beer strategy fails to resonate with consumers.

SAM - Our 12-month price target is $160 and is based on an equal-weighted EV/EBITDA multiple of 6.4x and P/E multiple of 14.0x, both based on our Q5-Q8 estimates. Key risks include: hard seltzer category growth accelerates and Truly gains momentum; Truly gains significant share and household penetration; SAM successfully stabilizes the Sam Adams brand; and supply chain capacity constraints for hard seltzer ease.

Disclosure Appendix

Reg AC

We, Bonnie Herzog, Ethan Huntley, Ankit Prasad, Shanika Paul and Nicholas Vidger, hereby certify that all of the views expressed in this report accurately reflect our personal views about the subject company or companies and its or their securities. We also certify that no part of our compensation was, is or will be, directly or indirectly, related to the specific recommendations or views expressed in this report.

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Growth is based on a stock's forward-looking sales growth, EBITDA growth and EPS growth (for financial stocks, only EPS and sales growth), with a higher percentile indicating a higher growth company. **Financial Returns** is based on a stock's forward-looking ROE, ROCE and CROCI (for financial stocks, only ROE), with a higher percentile indicating a company with higher financial returns. **Multiple** is based on a stock's forward-looking P/E, P/B, price/dividend (P/D), EV/EBITDA, EV/FCF and EV/Debt Adjusted Cash Flow (DACF) (for financial stocks, only P/E, P/B and P/D), with a higher percentile indicating a stock trading at a higher multiple. The **Integrated** percentile is calculated as the average of the Growth percentile, Financial Returns percentile and (100% - Multiple percentile).

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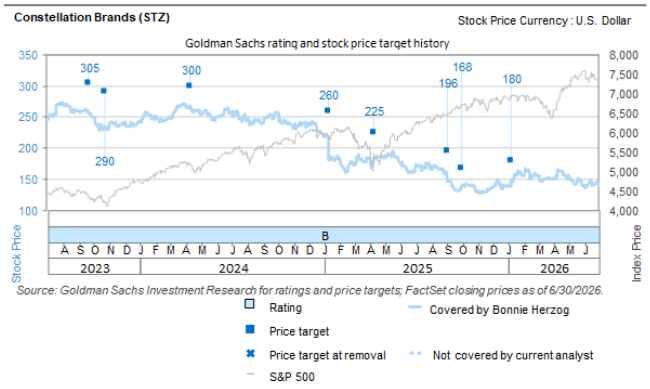
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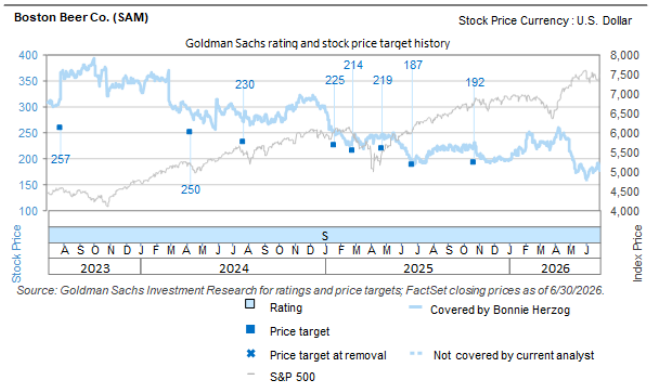
	Rating Distribution			Investment Banking Relationships		
	Buy	Hold	Sell	Buy	Hold	Sell
Global	50%	34%	16%	65%	59%	43%

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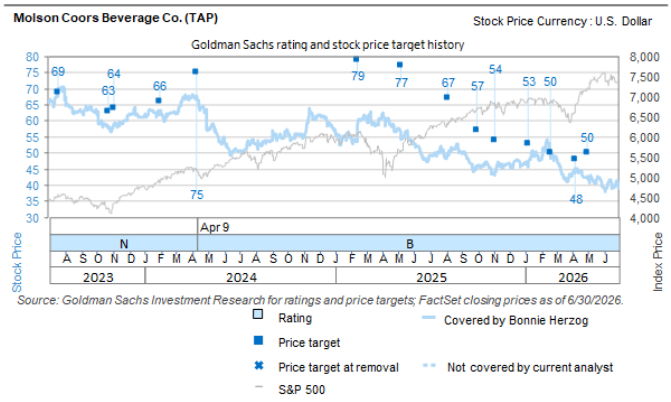
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Target price history table(s)

Constellation Brands (STZ)

Date of report	Target price ($)	Closing price ($)
09-Jan-26	180.00	147.00
01-Oct-25	168.00	138.95
02-Sep-25	196.00	151.26
11-Apr-25	225.00	185.63
10-Jan-25	260.00	181.81

Molson Coors Beverage Co. (TAP)

Date of report	Target price ($)	Closing price ($)
06-Aug-26	50.00	42.41
21-Jul-26	49.00	40.86
30-Apr-26	50.00	42.74
08-Apr-26	48.00	43.90
19-Feb-26	50.00	48.35

Constellation Brands (STZ)

Date of report	Target price ($)	Closing price ($)
12-Apr-24	300.00	262.24
23-Oct-23	290.00	231.86
22-Sep-23	305.00	256.03

Molson Coors Beverage Co. (TAP)

Date of report	Target price ($)	Closing price ($)
07-Jan-26	53.00	45.94
04-Nov-25	54.00	43.67
01-Oct-25	57.00	46.03
05-Aug-25	67.00	49.22
08-May-25	77.00	54.26
13-Feb-25	79.00	58.54
09-Apr-24	75.00	67.33
30-Jan-24	66.00	62.87
03-Nov-23	64.00	59.03
23-Oct-23	63.00	57.62

Boston Beer Co. (SAM)

Date of report	Target price ($)	Closing price ($)
24-Jul-26	160.00	180.15
21-Jul-26	165.00	170.98
08-Jul-26	169.00	178.28
24-Oct-25	192.00	231.60
23-Jun-25	187.00	197.68
25-Apr-25	219.00	247.89
26-Feb-25	214.00	241.36
21-Jan-25	225.00	253.45
26-Jul-24	230.00	290.91
09-Apr-24	250.00	291.31

Price targets shown in table(s) are unadjusted for corporate actions.

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