

Consumer trends shaping innovation in the alcohol industry

Expert insights on what's new
and what's next





On-trend alcohol innovations for the beverage market

In the fast-paced world of alcoholic beverages, staying ahead of the curve is crucial for any brand. With consumers constantly on the lookout for the latest and greatest offerings, companies need to be able to adapt and innovate quickly to keep up with ever-changing trends and tastes.

At ADM, we understand the importance of up-to-date insights when it comes to alcohol innovation. That's why our team of market experts, flavorists, brewers and mixologists is constantly analyzing market trends and consumer tastes to identify new, emerging opportunities for your brands.

When you partner with us, your company can:

- Tap into our wealth of global consumer knowledge.
- Gain access to our vast technologies and development capabilities.
- Quickly bring new and exciting products to market.

Whether it's creating a new flavor profile or identifying a new consumer trend, our team is always on the cutting edge of what's new and what's next in global alcohol innovation.



THE CHALLENGE



Curating what's new and what's next

As product demands for active and conscious lifestyles have surged, modern consumers are seeking alcoholic beverage offerings that balance their need for elevated taste and sensory experiences with their desire for wholesome, sourced-from-nature ingredients that complement their active lifestyles.

Our goal is to provide your brand with beverage solutions that cater to the rising demand for innovative and unique products while staying up to date with emerging trends, ingredients and flavors through:



Multisensorial mixology:

Consumers seek alcoholic beverages that allow multisensorial experiences while still aligning with their modern lifestyles. This includes both tried-and-true classics as well as inventive combinations that feature fresh-tasting flavors, groundbreaking colors and alluring textures.



Flavorful ingredients:

Taste experiences that feature desired ingredients such as citrus, hop oils, tea and botanicals are paramount for consumers. This includes both ready-made drinks as well as low- to no-alcohol options that support their balanced, holistic lifestyles.



Clean, clear label options:

Clean and clear label trends are making their way into alcoholic beverage options. Consumers seek products that they perceive to be natural, contain authentic ingredients and are eco-friendly and sustainable.



The challenge ahead is anticipating the needs and wants of global consumers while creating alcoholic products that support active lifestyles. That's why our team is constantly collaborating with consumers, experts and partners to track trends, translate insights into creative concepts and formulate an extensive flavor portfolio that caters to a wider range of tastes and preferences.



THE INSIGHTS

Two major alcohol trends to watch

The global alcohol industry is experiencing two significant trends in consumer preferences and behaviors that are expected to shape the market in the coming years:

TREND 1: THE DEMAND FOR HOLISTIC OPTIONS

No longer satisfied with a one-size-fits-all approach, consumers are seeking out highly personalized solutions and approaches that are tailored and targeted to their unique needs.

This includes seeking out ingredients within the alcohol category such as citrus, hop oils, tea and botanicals that consumers know, understand and associate with their holistic lifestyles. A recent global survey found that, without exception, consumers around the world are looking to experience bolder and more vibrant citrus flavors in their beverages.

Experiential eating and drinking are becoming commonplace, and consumers today are finding adventure through food and beverages — whether it's via new and exciting flavors, textures and colors or through new consumption occasions. This, plus the trend toward more abundant low- and zero-alcohol options in combination with new taste experiences, means that we can expect to see more innovative ingredients incorporated into alcoholic beverages to meet this demand.

TREND 2: THE GROWING INTEREST IN CONVENIENCE

Convenient, Ready-to-Drink (RTD) format products offer consumers a range of flavors and low- and no-alcohol content options. Due to broad cultural shifts toward balanced

wellness, the low- and no-alcohol segment has been gaining traction globally with retail sales exceeding US\$11 billion in 2022 — up from \$8 billion in 2018 — and a projected growth rate of 7% through 2026.

\$3B+/5% CAGR

market growth of low- & no-alcohol products

Additionally, the global RTD segment of the alcohol market is projected to nearly double from 2022 to 2026, rising from \$40 billion in 2021 to \$79.7 billion by 2026.

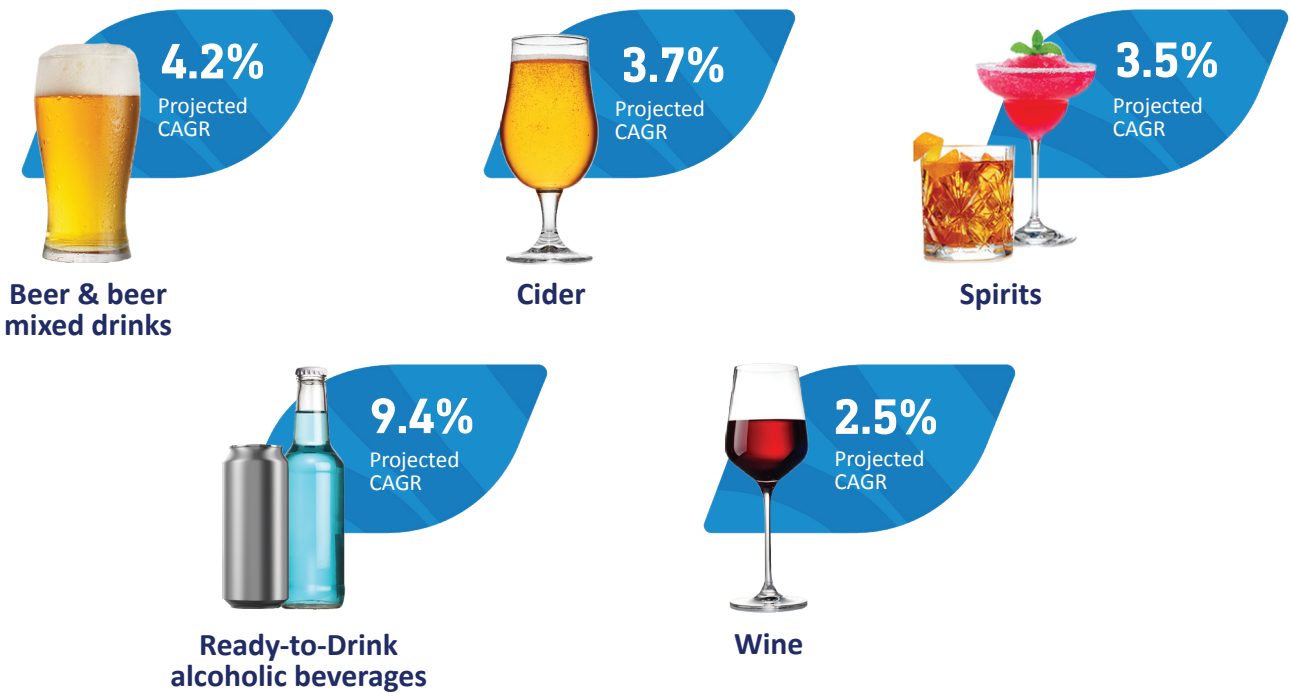
+\$39.9B

projected growth for the RTD alcohol segment by 2026

In North America alone, the RTD segment is projected to have a higher growth rate than the global average and is expected to grow from \$18.5 billion in 2021 to \$37.1 billion by 2026, with a compound annual growth rate (CAGR) of nearly 15%. In EMEA, the RTD market is growing as well, with a five-year projected CAGR of 5.1% by 2026. Africa is leading the way in the region, rapidly growing by 9.1%.



Global alcoholic beverage category snapshot:



Overall, the trends for ingredients derived from nature and convenient, low- and no-alcohol RTD products are expected to continue shaping the alcohol market. Companies that can innovate

and provide unique flavor experiences — while also meeting consumer demand for convenience — are likely to be more successful in this changing landscape.



THE SOLUTION

Exceptional flavor solutions and category insights

With the alcoholic beverage industry in a constant state of change, consumers across the globe expect more from their products and experiences. Luckily, ADM has a worldwide footprint to identify global trends, application expertise and category know-how to create and deliver exciting, standout alcohol products.

Our technical team — made up of expert flavorists, brewers and mixologists — works closely with you to create innovative, delicious beverage solutions while empowering speed to market by effectively and consistently assembling well-balanced, trend-forward cocktails.

Plus, as a leading processor of citrus oils, we utilize one of the largest stable supplies of high-quality citrus varieties in the world to craft the bold, vibrant flavors consumers are seeking. From classic orange to sophisticated flavors like yuzu, we pride ourselves at ADM on providing state-of-the-art citrus solutions that are crafted on the molecular level.

Thanks to our extensive portfolio of citrus flavors, hop oil, tea and botanical flavors, our team is well-equipped to provide stable, easy-to-use flavors that exceed consumer expectations and help your beverage brand deliver on what's new and what's next.



Technical ingenuity to tackle any solution

- + Ready-to-Drink alcohol solutions
- + Beer and beer mix drinks
- + Cider, spirits and wine
- + Alcohol-stable formulations
- + Top-notch taste modification capabilities and technology
- + Sugar-reduction portfolio



Craft success with an expansive portfolio

- + World-class flavors portfolio
- + Extensive library of U.S. TTB-registered ingredients
- + Exceptional citrus capabilities
- + Alcohol-stable Colors from Nature™
- + Advanced sweetening solutions
- + Botanicals, extracts and distillates
- + Authentic hop oils and ingredients



Market-ready solutions for success

- + Consumer-validated concepts and innovations
- + Holistic product development
- + Fully integrated ingredient systems
- + Knowledgeable technical and production support
- + Supply chain quality and reliability





THE RESULT

**Better taste.
Better technology.
Better products.**

Thanks to the emerging trends of the past few years, much of the alcohol industry's attention has been given to the impressive growth of the North American hard seltzer segment and, as a result, hard seltzers are being rolled out in markets across Europe and the rest of the world.

61% of European consumers

chose "having fun" as the main reason for drinking hard seltzer

At the end of the day, consumers across the globe are becoming increasingly drawn to holistic, alcoholic beverages and convenient, RTD products that offer bold, vibrant flavors and low-to no-alcohol content.

Innovative products for today's modern market

From low-calorie cocktails to low- and no-alcohol beers, these new, innovative products offer unique experiences and flavors that today's consumers crave.



NEW: Herbal hibiscus lime seltzer

Featuring the earthy flavor of blanco tequila and the trending herbal flavors of cactus and hibiscus, which are then brightened with the zesty flavor of fresh lime and seltzer, this drink is sweetened by new SweetRight® agave syrup and new SweetRight® Stevia Edge-M for a 5% alcohol by volume (ABV) cocktail that is only 100 calories.



NEW: 0.0% ABV citrus beer mix drink with an innovative botanical twist

This alcohol-free refreshment is full of flavor. Featuring natural citrus flavors and hop ingredients, this drink provides a fully rounded beer experience, which is usually lacking in alcohol-free beer. With tangelo (a tangy cross between pomelo and tangerine) perfectly blended with the floral flavor of lavender and the botanical flavor of hops, this beer mix is so good that it's hard to believe it's alcohol-free.

WHY ADM?

The innovative alcohol partner you need

In the highly competitive alcoholic beverage industry, it's essential for brands to stay on top of emerging trends and tastes to succeed.

Name any challenge, and ADM's advanced team of experienced flavorists, brewers and mixologists can help you solve it, thanks to our tools, technical know-how, consumer insights and development creativity. Partner with us today and raise the bar on your next alcoholic solution.

We excel in:

- + Taste and flavor experience
- + Balanced sweetening solutions
- + Bright Colors from Nature™
- + Mouthfeel and texture
- + Clean and clear label solutions
- + Product innovation
- + Product quality and stability
- + Consumer insights
- + Speed to market