





HELEN THOMAS, Managing Director of Westons Cider & 4th generation Weston family member

Welcome to the 8th edition of the Cider Report, our annual overview of cider, looking back but also looking forward to the year ahead.

We've certainly had some challenges in the industry and cider category over the last few years and, as we publish this year's report, it seems the year ahead in terms of the economy could be equally challenging. There is continued pressure for all cider makers and manufacturers in terms of increased costs in raw materials, packaging and energy, and for the consumer there are the obvious broader cost of living concerns that could change drinking habits.

The cider industry has once again evolved over the past year but it continues to be a resolutely dynamic marketplace. It remains a vibrant drinks category, with continued innovation that offers consumers new products and brands. In this challenging year, it is essential for the health of cider that all cidermakers continue to find ways of recruiting more drinkers.

> In the report we set out the main trends that we see across the category and hope it's of interest to all who are involved in the industry and helps everyone shape and plan for growth in this coming year.





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CIDER EXPERTS





FENELLA TYLER
CHIEF EXECUTIVE
NATIONAL ASSOCIATION
OF CIDER MAKERS

The challenges facing the hospitality sector are well documented and with higher cost of utilities and cost of doing business continuing through 2023, closures are sadly likely to continue. Consumer spending will remain under pressure, as steep inflation continues to impact cost of groceries and household bills. Spending on luxuries including going out or treats at home will be squeezed further as a result. Alcohol consumption is already declining and is likely to reduce further in 2023, consequently, we are likely to see less innovation.

As the quintessentially British drink, cider has an opportunity to stand out. Consumers will be looking to support local, British-made drinks. Celebrating apples, orchards and all things cider is how we can grow consumer appeal across a wide range of styles and occasions.

British industry is facing a challenging time. Government-led cost increases, such as business taxes and new initiatives including the Deposit Return Scheme will add further burdens across the drinks industry and hospitality sector, and we must work together to manage the complex changes ahead. However, the cider industry will also face specific issues, both in terms of excise duty and changes to agriculture in the coming year. The industry will need to unite and shout loudly to ensure that our voice is heard and our industry is supported. Cider making is such a wonderful part of our rural communities, providing employment, supporting farming and attracting tourists. We need a business friendly government that recognises this, setting out a platform for growth and innovation.



JAMES WALTON
CHIEF ECONOMIST
IGD

2023 will be another tough year for the food and drink industry. Although inflation is expected to weaken in 2023, it will continue to erode real wealth as the year progresses, leaving confidence brittle. Higher interest rates and a rising tax burden will amplify this effect and we anticipate that the economy will contract slightly. We expect that volume demand for food and drink will remain subdued in both retail and hospitality.

As consumers contend with rising food and energy bills, higher interest rates and higher taxes, households will continue to cut back on their spending and are adapting their shopping habits to help them save money. Our ShopperVista data shows that some 41% of consumers are shifting their focus to saving money on their food and groceries, compared to 21% in December 2021.

The trends we saw in shopping habits last year will continue in 2023, with shoppers trading down to lower quality products or switching to private label products. Some consumers are saving money by eating smaller meals and focusing on planning better, so they only buy what they need. We're also seeing shoppers switching to food discounters and buying fewer products. Those households on the lowest incomes will have to turn to food banks in the year ahead.

Businesses should be on the side of consumers as they accommodate rising taxes and higher energy and food bills. The fight for loyalty and volume will remain the key strategic priority but food businesses must also be giving thought to securing food supply and making operations more future proof.

Furthermore, no downturn lasts forever and sooner or later the economy will pick up and demand will return. Businesses must ensure they don't slip back into business-as-usual and create robust supply chains that are fit for the challenges of the future.



ALEX HEFFERNAN STRATEGIC INSIGHT DIRECTOR IRI

OFF TRADE INDUSTRY OVERVIEW

With discretionary income set for another hammer blow in 2023, the drinks industry is facing powerful headwinds. Alcohol is being dropped from baskets as shoppers look to save money, with January BWS volume down 10% on last year in the off-trade. This is set to intensify as price increases spiral in 2023; the inflation rate for beer & cider has jumped to 7.7% in January, compared to just 4.1% in the final quarter of 2022. Retailers were suppressing price increases in a highly price-sensitive alcohol sector. Now, volume is truly on a cliff-edge as the inflationary floodgates open.

Price increases are almost inevitable, but retailers and manufacturers can collaborate to minimise the impact on volume and protect the cider category. A firm understanding of the price elasticities and psychological thresholds in the range is imperative when implementing price increases. Missing a key price point by just 10p can tank volume and drive shoppers to beer, RTDs, soft drinks, or out of drinks altogether. Keeping a shopper who is drinking less often is better than losing the shopper altogether.

In an incredibly challenging year, we need to make the big moments count. The typically unpredictable British weather can bring huge opportunities at a moment's notice, and category performance often depends on these moments (cider value sales in June outsold February by 90% in 2022). To seize the opportunities, we need to go back to basics: quality distribution and minimal out-of-stocks. When sales spike due to spikes in temperature, supermarkets win share from convenience as shoppers travel to raid the shelves for cider, beer, RTDs, barbecue food and crisps. The earlier the shelf empties, the bigger the missed opportunity.

Media activation will play a huge role in category health. Whenever the sun comes out, adverts should be catapulting cider into the spotlight to seize the moment. Later on, when the temperatures drop in September, we have the Rugby World Cup kicking off in France. This is a rare opportunity for cider to reach new shoppers, particularly in London, where cider under-trades but the size of the prize is enormous.

Seltzers and Premixed Cocktails have been performing well in RTDs, targeting younger, more affluent shoppers than cider. The growth here stems mostly from assorted multipacks, which is where cider could learn. On average, cider drinkers tend to consume less per occasion than beer drinkers, meaning single-flavour multipacks run the risk of monotony as each occasion repeats itself. Assorted multipacks of cider have 4 key benefits:

KEEP OCCASIONS FRESH AND KEEP CIDER DRINKERS INTERESTED BOOST VOLUME SALES THROUGH BIGGER PACK SIZES DRIVE PENETRATION
BETWEEN SUB-BRANDS
AND FLAVOURS

OFFER MORE AFFLUENT SHOPPERS A WAY TO SAVE MONEY PER BOTTLE

Government restrictions on HFSS products have changed the landscape of display promotions in supermarkets. Alcohol is exempt, making this an opportunity for cider rather than a risk. In December, beer increased display promotions by 45% YoY as retailers looked to capitalise on the Qatar World Cup. Cider, however, saw a 1% drop in display promotions in the same period. Cider should learn from this and fight hard for display space in October, when the Rugby World Cup is set to be played.



CHRIS STERLING
CLIENT DIRECTOR
CGA BY NIELSEN

There is no doubt the cost of living crisis is the topic still on everyone's mind but there is still room for some optimism. In our recent Pulse Survey consumers haven't reduced their spend on eating and drinking out, which isn't set to change as they look ahead. Within the trade as well we see some of the confidence returning amongst business leaders with over half more confident about their own business over the next twelve months, as illustrated in the Fourth Business Leader's survey.

The key focus for cider, if not all categories, over the next year is identifying the habits of the changing consumer. Areas such as experiential venues or looking at the changing day part and days of the week where the consumer is interacting with the On Premise will be key. Value will also play a key role as cost of living continues to impact but we don't always mean 'cheap' when we say value with nearly 50% of consumers in our BrandTrack survey associating value with something that is worth its cost. This will allow suppliers to continue to offer premium options as there is a continued desire for the treat occasion but only if the brand can show the value in the product through the likes of provenance, heritage and quality.

There is no doubt innovation and NPD are important as the consumer continues to seek new experiences in terms of venue and the same can be said for drinks choice. We have seen some recent innovation and NPD that have taken the market by storm so this is an area that will be important to cider in order to not only retain their current consumer base but also recruit new consumers and those newer drinkers in the 18-34 age group which have high On Premise interaction and frequency of visit.



GABE COOK
THE CIDEROLOGIST'S VIEW

Growing up in Dymock, the village next door to Westons' home of Much Marcle in Herefordshire, maybe it was always going to be the case that I was going to develop a passion for cider? It's practically a legal requirement round these parts. My first exploration of the breadth of styles, products and producers of a drinks category, however, was actually (whisper it quietly) in beer, rather than cider. I explored the wealth of British brewers from uber-micro, to small family-owned, to regional to big established brands, all accessible to me in supermarkets, bottle shops, pubs and bars. I revelled in experiencing the myriad styles from cask conditioned ales to kegged lagers and subsequently the multitude of modern hop-forward Pale Ale inspired beers.

But when my attention turned to cider, I was stumped. I was lucky enough to be able to visit the handful of farm-based makers around Herefordshire and sample their wild fermented, dry, still tannic wares, as well as purchasing fresh, crisp, sessionable ciders down the pub or from the local supermarket. But what of the small to medium-sized makers and regional makers? What about the presence of a range of styles, taste profiles or occasions? They just weren't there and, rather challengingly, to a large extent they still aren't there.

The key statistic is that the top eight cider makers whose products are sold in the UK account for 89% of off trade sales and a staggering 97% of on trade sales. Facilitating the growth of ambitious smaller cider makers to become medium scale, regional cider makers is of critical importance for developing the diversity of, and accessibility to, a range of new products and styles that will bring new consumers and experiences into the category. Cider makers such as Sandford Orchards, Healey's, Sheppy's and Cornish Orchards, amongst others, are leading the charge. Watch out for their growth and influence over the next 5 years and beyond.

THE IMPORTANCE OF CRAFTED

Championing those products that serve to raise the value perception of cider is critical to cider's ongoing sustainability.

This is where the Crafted end of the cider spectrum can step up and have its time to shine. In 2022, this was the only segment of UK cider in growth, notching up a 10.2% volume increase although, as already discussed, it is hard to drill down into the details of smaller brands. Driving this trend is the desire for people to 'drink less but better', as well as consumers increasingly incorporating provenance cues into their purchasing. This plays into the hands of cider, and especially Crafted cider, thanks to the sourcing of fruit from traditional orchards. These landscapes provide massive ecological diversity and carbon value as well as providing socially-rich spaces for communities and economically viable incomes for growers.

Emphasising the fact that cider is made from apples, and in many cases, specific varieties of apple grown for the sole purpose of making cider in the UK for centuries, is a trend that I anticipate growing during 2023 and beyond. Expect to see more Single Varietal (SV) ciders and brands upweighting their regional, taste and varietal provenance.

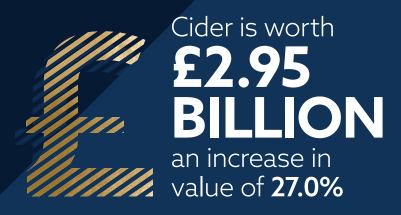


CIDER INDUSTRY HEADLINES

In total, across 2022, the UK purchased just over

705 MILLION LITRES OF CIDER

an increase in volume of 5.7% compared to 2021





The full re-opening of the on trade has boosted overall cider value more than volume due to the higher price per litre. The on trade averages £7.33 per litre (up from £7.09/ltr last year) compared to £2.40 in the off trade

OFF TRADE VS ON TRADE

The on trade now accounts for 63% of value and 36% of volume. In last year's cider report, the on trade was 50% of cider market value and 24% of volume so this highlights how much the channel has re-established. The current position is roughly in line with what we saw in the 2020 cider report for the year leading up to the pandemic disruptions. This is expected to stay broadly the same in the current year.

CIDER VALUE SHARE

37%

63%

CIDER VOLUME SHARE

64%

36%





ACCELERATING PREMIUMISATION

This long-term trend is being accelerated by inflation across all segments of cider. The price the consumer is paying for cider, in both the on or the off trade, is increasing more than the volume. However, authenticity, craft and connoisseurship of cider is of growing interest to consumers, and this segment of cider is showing the most growth and value potential.

Looking back, in 2021, the Crafted segments in the on and off trade were 12% and 14% respectively. Now, at the end of 2022, these segments have grown to be 14.4% and 19.5% share of cider in each channel. Consumers are willing to pay more for these premium products that are made in an authentic way, and have heritage and provenance attributes.



DESIRE FOR QUALITY

As consumers are facing higher prices in both channels, the quality of the cider available has never been as important. When reviewing what has happened in previous economic downturns, consumers do not categorise alcohol as a 'necessity' purchase, but they do see it as a 'comfort' and not a 'luxury', and alcohol sales have been seen to increase during times of economic downturn.

For at home occasions, prices will not be coming down in this coming year within any cider segment, so the consumer will be looking for the best quality they can get. When we look at out-of-home occasions, these could fall into a 'luxury' for many income groups and reduce in number, so when they do occur, drinkers will definitely be on a heightened footing to drink a luxury drink that matches the occasion. Ciders ranged must deliver quality compared against other categories too to remain part of their drinking repertoire and reduce opportunities to switch out to another type of drink. When we look at serve, it has been seen that long alcohol drinks have done better in past recessions, as consumers can see them as more value and affordable up against other more expensive drinks such as wine and cocktails, so there is an opportunity for premium draught ciders to capitalise on switching.



BACKING BEST-SELLERS

Cider is an important and valued part of any drinks range, both in the on or off trade, but being smaller than beer, it often gets overlooked when it comes to the opportunity to deliver profit for the space. Getting the cider range right, stocking the best-selling brands and ensuring they have enough space on shelf in terms of facings or the right prominent tap mix, is a simple contributing factor that can help outlets and retailers weather the challenging headwinds this year. The best-selling premium brands need to be ranged to ensure opportunity for consumers to trade up, therefore spending more.

Within retail, fridge space should also be given over to the biggest cider brands as chilled cider is a key convenience purchase. Cider is already a category under pressure for space overall from other drinks categories, so in a challenging year, it is not a time to dilute the cider range to offer drinkers more choice, but a time to consolidate and range the brands that will return the best margins.



APPLE CIDER LEADS

Apple cider remains the most popular cider type and continues to drive the category in terms of value and volume. Regardless of channel, the apple cider drinker drinks more cider than other types, therefore, rate of sale and volume and average cider spend is always higher.

This coupled with the fact that approximately sixty percent of consumers choose apple cider, provides the main reason why apple remains the king segment, and it is apple Crafted premium products that are seeing the most growth of all types of cider.



FLAVOURED CIDER EXCITES

Sweeter fruit ciders and the continued conveyor belt of more exotic flavours remain exciting entry points and attraction for consumers, and while there are a significant number of drinkers of flavoured and fruit ciders, the total spend and volume is much less.

It has been ten years since the launch of the dark berry cider sub-category, which has seen terrific growth over this time, but as we shared in last year's report, it has stabilized its share at approximately one third of all cider.

There is less overall growth opportunity within flavoured ciders and dark berry remains the significant share of the segment.

There seems to be nothing on the horizon yet as a single flavour profile that signals it being a substantial hit with the cider drinker.

MARKET CONTEXT



PRESSURE REMAINS ON HOUSEHOLD BUDGETS

The UK has been adapting to the fall in disposable incomes since late 2021, so it is not new, but there are continued pressures on prices across the board that do not show signs of abating in the near future. Whether the UK actually enters a technical recession or not is secondary as the IGD still estimate that the typical income after increased housing costs for working households, is likely to fall by 4% within 2023-4, higher than previously predicted. This will affect and likely reduce consumer spending power. While the broad inflation rate will come down, there has been very little inflation relatively within the drinks categories, and so we expect to see rising prices in both the Off and On Trade this year, as costs in supply chains are finally passed onto the consumer.

ON TRADE OUTLET PRESSURES

The early months of 2023 have seen some very positive signs in terms of sales in the trade. In February, the CGA Drinks Recovery Tracker was showing significant increases in weekly sales data across drinks, with week ending 4th February, for example, showing cider up +13% YoY. This is a long-term, continued recovery, but it's a healthy indicator that despite cost pressure facing consumers, they are still visiting the On Premise. However, away from the initial positive picture of sales, behind the scenes, there are significant continued pressures to outlets. Energy and food prices will remain and squeeze margins, and wage inflation will add further costs as there will be pressure to pay hospitality staff more to keep them in the sector. While many outlets are adapting by changing up their offering, continuing with take aways for example, and reducing days and hours that they are opening, unfortunately the number of on trade outlets closing will continue.





DUTY CHANGES IN AUGUST

Confirmed in March's budget, the duty reforms will come into effect in August. The key features of the proposed new simplification of alcohol duty include:

All excise duty rates being calculated on the basis of a rate per litre of pure alcohol

A flat rate of excise duty will be introduced for all types of drinks between 1.2% and 3.4% ABV

Between 3.5% & 8.4% ABV, there will be three rates for beer, cider, wine/made wine/spirits

It could mean new opportunities for cider and there could be new innovation below 3.5%. With the absolute levels now having been set in March's budget, higher ABV ciders will proportionately see an increase in duty, but there will be reduced excise rates for draught and flavoured ciders to support the hospitality sector.

Circularity Scotland

DEPOSIT RETURN SCHEME IN SCOTLAND

At the time of going to press, Scotland remain on track with their implementation and introduction of the UK's first Deposit Return Scheme (DRS). The aim is to encourage more recycling, by passing on a 20p deposit to the shopper, which is returned when the container is recycled. This ambitious project includes all single-use drinks containers between 50ml and 3 litres, made of glass, aluminium and PET. Suggestions have been made it will be pushed back, however, the DRS is very unlikely to be fully halted. As part of the wider recycling reforms from Westminster, DRS will be implemented in Wales and England by 2025, in an effort to attain a fully accountable, costed and responsible approach to packaging. In terms of shopper behaviour, we may well see changes in SKU purchase. For example, an 18 can pack of cider will incur £3.60 extra charge at the till, however a 2 litre PET bottle would have only 20p added. Multipacks may well lose out under DRS as some savvy shopper groups swap into single serves.

MINIMUM UNIT PRICING STABLE

MUP was introduced in May 2018 in Scotland and March 2020 in Wales, with a floor price of 50p. There are varying reports and commentary on its success and its effects as a lever, but we have seen in cider that there was value upturn due to the increased prices, and a volume decrease vs geographies that did not have Minimum Unit Pricing (MUP) implemented. Reports that the MUP rate could be in scope for an increase per unit have been discussed, with no confirmation, but an increase would certainly change the drinks category dynamics further.



CATEGORY SPOTLIGHTS



SPRING IS KING WITH THE MAY BANK HOLIDAY CIDER BOOM

The May bank holidays and the Coronation are likely to give the month a very unique celebratory feel. More than other drinks categories, this is a perfect opportunity for cider to capitalise, steal share and engage consumers early in the summer. In previous years, the May bank holidays have regularly been in the top 10 cider days of the year, sparking excitement among drinkers by signalling the long-awaited return of summer occasions. In the off trade, the Platinum Jubilee was the 5th largest cider weekend as many households used it to host parties beyond the norm, so expect similar. Equally, the on trade should capitalise; a May cider festival will not be out of place and a perfect bank holiday footfall and sales driver.

CIDER & SPORT

Cider and sport go hand in hand, with cider over trading during sport-watching occasions in the on trade, and a YouGov report revealed that cider was the 4th most popular drink when watching sport at home. In the coming year, there are the regular UK national sport events across the summer which will drive cider occasions, but also the cricket Ashes, the Women's Football World Cup in July and August, followed by the Rugby World Cup that starts in September. Hosted by France, this will be great for spectators in terms of being in a similar time zone and with every home nation competing, this eight-week tournament will be arguably be a great extension for On Premise and at home occasions after the summer, therefore we'd expect increased volume sales.

While we know that sport can amplify cider gains, when reviewing the winter World Cup in Qatar, we

can see the unusual timings had a negative impact on the category compared with summer tournaments. Yes, the Qatar World Cup pushed cider sales up YoY vs typical sales in November and December, but across the board, drinks sales were down vs summer tournaments where we can usually



expect a boom. For cider, this was even more apparent as the category missed out on summer weather-related impulse purchases. Volume in the off trade alone was down around 20 million litres or £48 million, compared to the Euros in 2020 and World Cup in 2018.

SUSTAINABILITY

Consumers are increasingly showing interest in cider brands that are highlighting their Britishness and sustainability credentials. Increasing from last year, 75% of consumers would now like to see more cider brands follow good environmental practices. So while we've seen some brands highlight claims on pack regarding localness and the use of British apples, cider brands need to ensure they are also addressing the wider consumer concerns around waste, energy reduction and water reduction. The opportunity remains for the UK cider category to hero its sustainability credentials over other drinks categories, in a true and meaningful way to engage drinkers.



ROLE OF INNOVATION

For any cider innovation to succeed it must be able to understand the complex and promiscuous nature of drinkers. Over the longterm, the consumer desires to drink better so ciders that are more premium will have more of an opportunity. Within the sub categories, apple has more reach and can reflect more premium attributes, whereas flavoured ciders are often lazily targeting the 'younger sweeter' palate. The reasoning in the main, has been given as a category entry point, recruiting younger drinkers into cider, but it's likely that flavoured cider consumers have a broad repertoire and actually drink many categories that catch their fleeting eye, from pink gin to cocktails. The dark berry cider variants dominate the flavoured category, and recently the category has seen success in some different citrus flavours. Time will tell if these will be a success over the long-term.



LOW & NO

In the UK the overall low and no drinks category continues to attract consumers and has expanded to be worth £255mn, with beer taking 68% share (Mintel). Rapid growth is still anticipated in the coming years, however, the volume and value sales of the low & no sub categories remain slight in comparison. Within cider, 20% of consumers would like more choice available, so perhaps there is further opportunity, but on the whole, more and more consumers will find suitable brands in the space over time. According to Mintel, 41% of UK adults have drunk the low or

no-alcohol category over a period of 3 months, with 54% agreeing that it makes them feel good to do so. In the off trade, space continues to be found for increasing ranges to offer the shopper choice, and cider is worth £29.1mn, +0.8% attracting approximately 5.9% of shoppers (Kantar). Total Low & No BWS is up 4.6%, so cider is behind in comparison. In the on trade, low and no cider sales are now worth £29.6m having more than doubled compared with pre-pandemic levels (CGA).



CATEGORY ADVERTISING

The UK cider category advertising over the last ten years is an interesting picture. Collectively brands are spending less on advertising over this timeframe, with a definite downward trend. However, lately in 2022, category spend recovered sufficiently to reach higher than pre-pandemic levels and the four years prior. Perhaps we are seeing a resurgence of cider brands investing in advertising, which is great for the overall category.



CATEGORY SPOTLIGHTS



CIDER DRINKING OCCASIONS

The biggest cider drinking occasion differs between the on and the off trade. In the off trade 18.3% of serves are a quiet night in, whereas in the on trade the most common occasion is a sociable get together at 14.9% of serve. The off trade is becoming more sociable however with 'planned social occasion' gaining 1.9ppts YoY and 'catch-up' growing by 2.9ppts.

Food is still very important to cider drinking occasions with 73.6% of off trade serves being with food and 46.9% of on trade serves. In the on trade the share of serves with food is down 3ppts suggesting occasions are becoming more up tempo rather than as an accompaniment to a meal.

In both channels most cider serves are on a Saturday and this day has gained share vs. last year for both on and off trade. The on trade has also seen increases in Friday and Monday serves, and the biggest decrease YoY is on a Thursday.

The most common time of day is between 2pm and 5pm demonstrating the importance of showing live sport on the weekends. Cider is not capturing the late night 10pm – midnight occasion as these times have the lowest share of serves in both channels. When considering both day of the week and time of day, weekend evenings still account for the largest share of cider serves at 35.5% of off trade serves, and 32% of on trade serves.

Kantar Alcovision 52w/e 31st December 2022





OFF TRADE MARKETPLACE

There are four key dynamics to discuss in this section, which have characterised the off trade cider market this year:

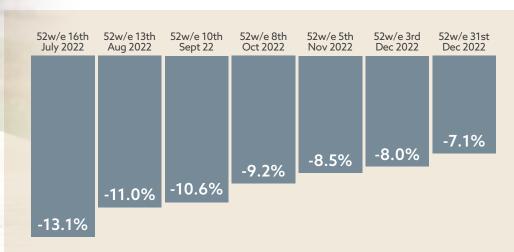
Tough annualisations meaning a year of negative value and volume growth, with value doing better than volume

In a grocery market seeing soaring inflation, cider has so far been insulated from this with average price paid by shoppers rising just 3.9% to £2.40 per litre

The continued growth of the Crafted cider segment

The stabilisation of flavoured cider at approximately one third of cider market value

The additional cider shoppers seen in 2020, the increased average weight of purchase and more frequent shopping for cider have tailed off as the on trade recovered. These metrics have declined when compared to last year. Penetration peaked at 48.6% during the on trade closure in July 2020, and has slowly come down to the 43.9% we see currently. This is likely a combination of the resurgence of the on trade, some loss to other BWS categories such as spirits and ready to drink cans which have performed well, and perhaps shoppers dropping out of the alcohol category for household budget reasons. As a result of these dynamics, cider value is -7.1% YoY and cider volume is -10.6%. With each month the decline is less so there is scope for optimism.



At a total cider level, price has gone from £2.31 per litre a year ago, to £2.40 a litre which is a modest increase of 3.9%. Compared to some grocery categories this is very low, likely down to the alcohol category being used as a footfall driver. This varies slightly by segment as Crafted cider for example has seen a 5.3% increase to £3.45/L.

Regarding cider segments, Crafted has once again been the star performer and the only cider segment in YoY growth. Share has increased from 16.4% share of cider value a year ago, to 19.5% by the end of 2022. Interestingly the only other segment to gain share is value amber which is made up of budget products and supermarket own label. Although spend is declining YoY, it is declining less than total market so share has increased 0.2 percentage points to 9.7%. As the cost of living crisis bites, we may see this develop further.

Between 2020 and 2021 we saw flavoured cider go from 34.4% share to 32.5%, in the latest 52 week period share has now stabilised at 32.8% of cider value. YoY flavoured cider value is -6.2%, compared to apple cider at -7.0% with 62.6% share of the market.



RECOMMENDED CONVENIENCE CIDER FIXTURE FOR A 2.5 METRE REFRIGERATED UNIT

The obvious challenge for convenience vs supermarkets is the limited fixture space.

One way to alleviate pressure on in-demand refrigerated space is to place single bottles for impulse shopping occasions in the fridge and then utilise ambient fixture space for larger packs.

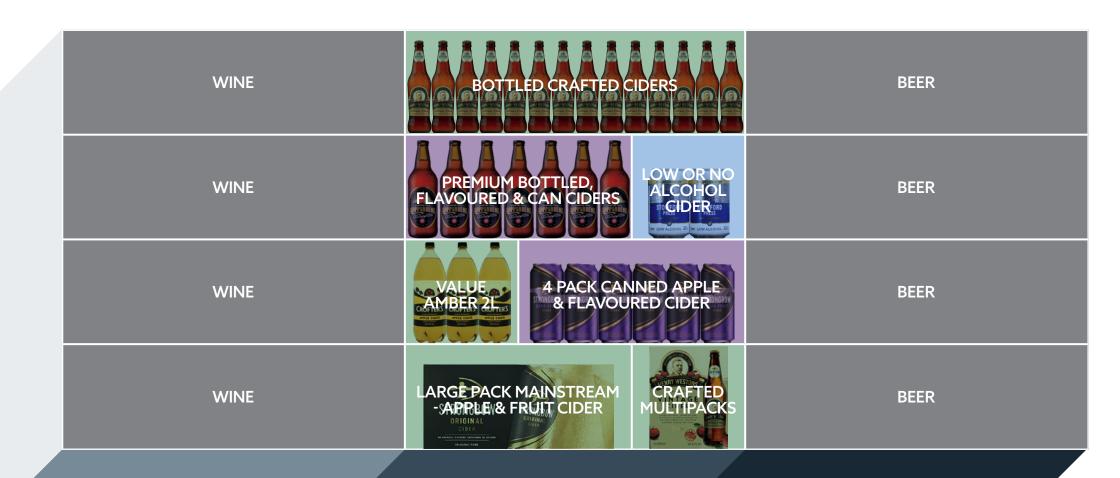
Crafted is the only segment in growth in convenience as well as total market and there is still headroom to grow, so needs priority space in fridge to maximise sales. This segment makes up 17.8% of value in the convenience channel, compared with 19.5% total market. Distribution of Crafted cider is 92% across convenience, compared to 98% in total market. Outlets should be stocking several Crafted apple SKUs, in bottle or can. If the best performing Crafted category receives wider distribution across convenience, then this could single-handedly return the entire cider category to growth. In terms of value, Crafted averages £3.60 per litre in convenience compared to total cider at £2.53 per litre, so can help revenue grow too.

We see an unlimited variety of ranges across the convenience store sector, with some seemingly not being updated to reflect market changes. Space within convenience remains a premium, but this channel is key for cider over and above other categories, so getting it right and updated to the latest consumer trends is important.

Apple should occupy approximately two thirds of total space within cans (including single cans, pint cans, 4 packs). Apple in a glass bottle largely sits within the Crafted segment and the consumer would expect some choice here also. Flavoured remains stable and the main flavoured brands should be stocked, in single bottle or 4 pack can. A rosé or a citrus cider could be included, but shouldn't be over spaced, while both a low alcohol apple and flavoured should always be stocked to ensure breadth of choice and that all shopper missions are catered for. Low and no alcohol cider remains a small part of the category so does not require a lot of facings. White cider should be phased out as the category continues to premiumise.



It might be tempting to stock as many options as possible, but facings should be prioritised for best sellers to make sure store staff are not constantly refilling and that key products don't go out of stock. There is no bigger limiter on cider sales than empty shelves at key selling periods.



OFF TRADE STOCKING RECOMMENDATIONS



RECOMMENDED FOUR BAY SUPERMARKET CIDER FIXTURE

In the last year, in-store space dedicated to cider has shrunk in some retailers which makes working the space as hard as possible even more important. In this coming challenging year, it is absolutely critical that the bestselling brands are given the right amount of space and facings on shelf to maximise returns per outlet. Keeping the brands in stock should take priority over endless choice of cider.

Apple cider remains the dominant cider type and this should be reflected in the ranging with approximately two thirds of the space. The most premium segment is Crafted and this is dominated by apple, which is gaining share and is the only segment offering growth. It is key that this bottle-led range is right and should be over faced to maximise sales. Leading Crafted SKUs should be available in multipacks to cater for big shop missions and help maintain stock of the singles.

The main brands of fruit flavour ciders should be stocked, with choice of flavours delivered with single bottles, and multipacks in the main flavours of Strawberry & Lime for example. There is a lower rate of sale generally across flavoured when compared to apple, so fewer facings could be used relative to apple SKUs. New citrus flavours are in growth, so list one or two of these SKUs.

While there is more space than in convenience, duplication or near duplication should be avoided to still ensure choice is given to the shopper, as well as enabling a fixture to flex to a specific distinctive retailer feel.

Can formats represent sixty percent of the market, so choice across 4 packs and 10 packs is essential, but due to cost of living increases, bigger can packs could prove less critical for the success of a range. These can also be stacked away from the main fixture.



For no and low alcohol, both low alcohol and zero options should be stocked with at least one apple and one flavoured variant. A mix of glass bottles and cans ensures choice for the shopper.

Value amber cider accounts for less than 10% of cider market share so should not take up too much of the fixture. Often there is very little difference in price per litre between the value offering and promoted mainstream products, so the role of value cider as an entry level has become diluted, more so in minimum unit pricing areas.



OFF TRADE SNAPSHOT

THE CIDER MARKET IS WORTH £1.1bn, -7.1% YoY



451 million litres of cider were purchased, -10.6% YoY



The big 4 supermarkets account for 61% of all cider sales, up from 60% a year ago (In the cider market the big 4 is still Tesco, Asda, Sainsbury's and Morrisons)



The average price of cider per litre is £2.40, up from £2.31 a year ago



43.9% of UK households buy cider



Households in the UK purchase an average of 33.2 Litres of cider per year, down 8.4% compared to last year



The average household makes

11.1 shopping trips for cider a year



Cider continues to have a **SOUTHERN BIAS**

...with the 5 most southern TV regions making up 63% of cider volume sold ...this is even higher for Crafted cider with 74% of volume coming from the south

CIDER VALUE BY FLAVOUR YOY

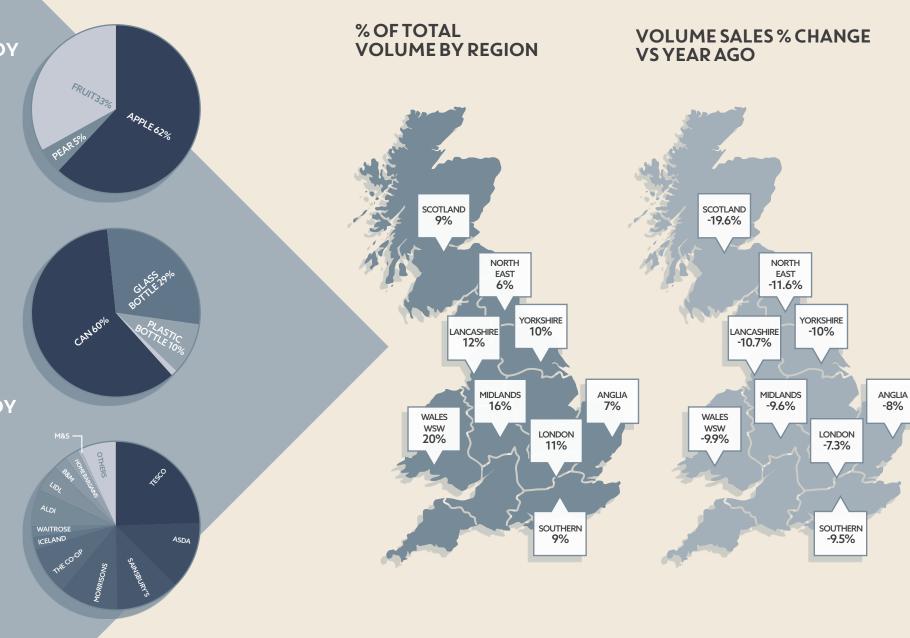
Туре	Share	Growth
Apple Cider	62%	-7.0%
Fruit Cider	33%	-6.2%
Pear Cider	5%	-14.3%

CIDER VALUE BY FORMAT YOY

Туре	Share	Growth
Can	60%	-5.5%
Glass Bottle	29%	-9.8%
Plastic Bottle	10%	-8.2%
Other Packaging	1%	-6.5%

CIDER VALUE BY RETAILER YOY

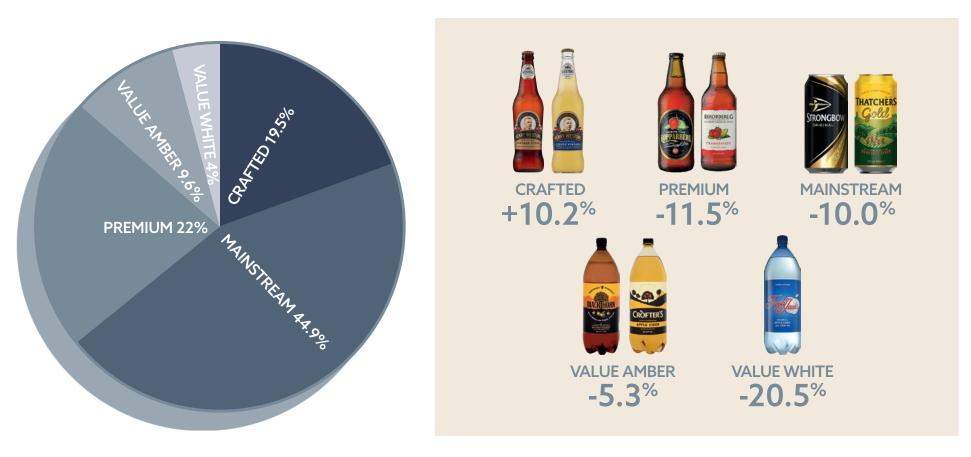
		YOY
TOTAL CIDER		-9.2%
Tesco	25%	-0.2%
Asda	13%	-19.3%
Sainsbury's	12%	-4.5%
Morrisons	11%	-9.9%
The Co-op	9%	-25.3%
Iceland	2%	-10.9%
Waitrose	2%	-7.4%
Aldi	7%	-5.7%
Lidl	5%	9.7%
B&M	3%	-19.6%
Home Bargains	3%	-24.1%
M&S	1%	3.1%
Other	7%	-1.1%



MARKET SHARE BY SEGMENT

Cider is segmented into five product groupings: Value White, Value Amber, Mainstream, Premium and Crafted.

Crafted has a higher average price than total cider and consists of traditional and heritage products. It is this top tier that is the only one in growth and contributing additional value to the category.

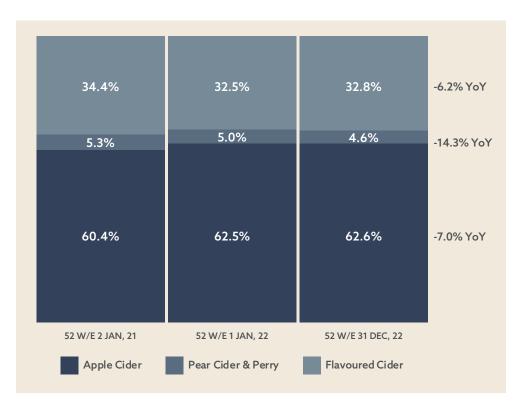


Premium cider, mainstream and value white have declined ahead of total market and, as a result, have lost share. Crafted has made the biggest share gain going from 16.4% a year ago to 19.5%. Value Amber has gained a small amount of share going from 9.5% to 9.7%, a lot of own label products sit in this segment, and they have recovered after having a tougher time during the 2020 lockdowns.

MARKET SHARE BY FLAVOUR

This year has seen a levelling off of the more significant changes in share seen between 2020 and 2021.

Apple has increased by 0.1%, and flavoured cider by 0.3% maintaining its position at just under one third of cider market spend. Pear / Perry has lost 0.4% share becoming an increasingly small part of the market. This part of the market seems to have lost its identity, becoming almost entirely low cost wine substitutes and sat on the wine fixture rather than with cider. No one brand has really achieved scale with a traditional perry product, and it feels like an opportunity to educate cider consumers about 'real' pear cider.





The latest Kantar data shows that the apple cider shopper spends more per year than the flavoured cider shopper, at £77.91 vs £31.54. 29.1% of UK households buy flavoured cider compared to 24.5% for apple cider, so apple achieves a higher share of spend from fewer shoppers. The repeat rate for apple cider buyers is 54.1% whereas for flavoured it is lower at 48.8%.

TOP 10 MANUFACTURERS



Kopparberg value is -10.1% YoY compared to -7.1% for total market. Molson Coors was eighth in last year's report and is now up to seventh place.

Heineken share of the category has dropped from 33.6% last year to 32.3%. Overall, the top ten cider makers account for 89.9% of sales compared to 90.8% last year, so the big players continue to take almost £9 of every £10 spent on cider.

Of the top ten, only two cider makers have seen growth. Westons has added £5.7M to the cider category (+7.0%) and Thatchers have contributed £4.7M (+3.0%).

	VALUE SALES	VALUE SALES % CHANGE VS YRAGO		VALUE SALES	VALUE SALES % CHANGE VS YRAGO
#1 HEINEKEN	£350,011,454	-10.7%	#6 Aston Manor	£61,118,603	-17.8%
#2 THATCHERS	£164,846,136	3.0%	#7 MOLSON COORS beverage company	£34,787,745	-9.6%
#3 ** COPPARBERG**	£158,462,315	-10.1%	#8 Accolade Wines	£32,714,319	-17.0%
# Z. WESTONS CIDER MAKERS 1880	£88,334,151	7.0%	#9 Healeys	£10,468,964	-11.3%
#5 cac group plc	£68,369,983	-11.7%	#10 > BROTHERS	£5,798,076	-13.9%

TOP 10 BRANDS

Looking at the top ten cider brands, the top three are the same as last year.

However, Henry Westons Vintage has moved up from sixth place last year to fourth, overtaking both Kopparberg Strawberry and Lime and Mixed Fruit. Inch's is new to the top ten in ninth place. Unfortunately for Heineken, the £11.9M of extra revenue on Inch's this year vs last year, is more than cancelled out by the £16.4M million loss on Strongbow Original.

Frosty Jacks has moved down one place to tenth and Lambrini has dropped down to eleventh.

Henry Westons Vintage and Inch's are the only two top ten brands in growth.

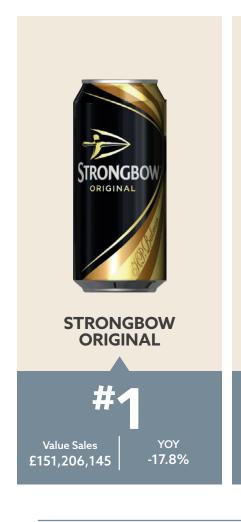
If we look a step below Brand level at individual products, Henry Westons Vintage 500ml single bottle is the number 1 SKU in the market and in continued growth. It is £8.5M ahead of Strongbow Dark Fruit cans 440ml x 10 in second place.

		VALUE SALES	VALUE SALES % CHANGE VS YRAGO			VALUE SALES	VALUE SALES % CHANGE VS YRAGO
#1	STRONGBOW	£151,206,145	-9.8%	#6	KOPPARBERG MIXED FRUIT	£55,961,944	-12.5%
#2	STRONGBOW DARK FRUIT	£100,582,461	-18.0%	#7	MAGNERS IRISH CIDER	£44,964,333	-10.1%
#3	THATCHERS Gold	£77,975,084	-5.9%	#8	THATCHERS Haze	£33,385,188	-6.4%
#4	HENRY WESTONS	£67,266,598	6.5%	#9	INCH'S	£20,980,241	131.6%
#5	KOPPARBERG STRAWBERRY & LIME	£66,951,156	-6.4%	#10 >	Frosty Jack's	£19,833,416	-7.3%

TOP 5 APPLE BRANDS

The top 5 apple cider brands have remained the same as last year.

Strongbow and Magners are declining just ahead of the total apple cider performance of -7.0%. Henry Westons Vintage is the only one in growth, adding £4.1M to the brand value since last year. This brand is also the only one that is 100% in a glass bottle format. Strongbow, Thatchers Gold and Thatchers Haze have over 90% of their value sold in a can, and 79% of Magners Original is sold in a can.













TOP 5 FLAVOURED BRANDS

The top 3 brands have stayed the same as last year.

Thatchers Blood Orange is new to the top five replacing Thatchers Cloudy Lemon which filled this spot last year. Old Mout Pineapple and Raspberry maintains fifth place. This shows that the usual flavours (e.g., dark fruit, strawberry & lime) will always be where the bulk of sales are, but occasionally a new flavour does cut through, create excitement, and win sales. With the exception of blood orange, which is new this year, the rest of the top five are in YoY decline.











TOP 5 NPD

There has been a shift in flavour trend since the NPD seen in last year's cider report. Whereas last year was tropical flavours, this year we have two blood orange products. Thatchers Blood Orange launched in both glass bottle and can formats totalling £19M in the latest 52 weeks.

With the strength of apple cider, it makes sense that Rekorderlig launched a strawberry and apple variant, and this was worth £5.6M in 2022. Strongbow Ultra was a bold move for Heineken to test the market with lower calorie cider – it's important for the category that major brands keep innovating. This product was worth £4.6M.

Henry Westons Organic Bag in Box is the only apple product in the top five, worth £1.3M. Rounding out the top five we have a Rekorderlig blood orange product worth £1.3M. This is a popular flavour in general in the grocery market with it appearing in soft drinks and spirits, as well as non-drinks categories such as confectionary with Lindt Lindor launching in this flavour this year.











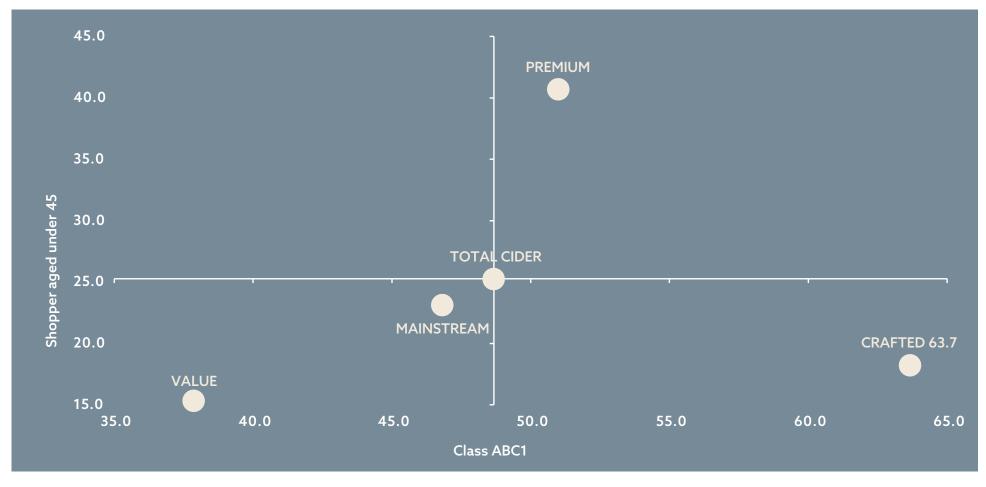


CRAFTED CIDER

Crafted cider has once again had an incredibly strong year. Whilst total cider value is -7.1%, Crafted grew +10.2% contributing £19.5M. Share has gone from 16.4% last year to 19.5%.

This segment adds value to the overall category attracting an average price per litre of £3.45 compared to total cider at £2.40/L. Crafted average price has risen 5.3%, ahead of the market with its 3.9% increase.

Crafted has the highest amount of ABC1 shoppers with 63.7% of spend coming from this demographic.





As shown in this top ten, Crafted products are primarily apple, and in a glass bottle. The top ten has largely the same brands as last year, however the positions have changed. The one new entry is Thatchers Blood Orange, and Frome Valley Dry has dropped out and is now 12th behind Henry Westons Cloudy in 11th.

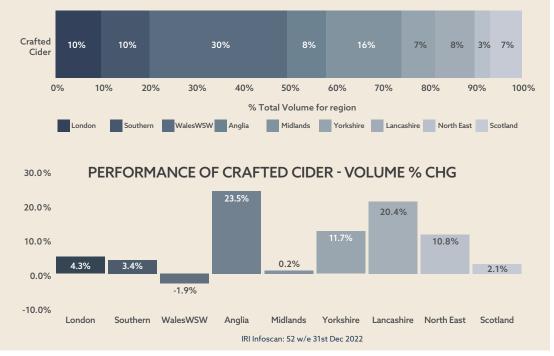
The top two have stayed the same, although Henry Westons Vintage has increased the gap between it and Haze from £27.5M last year, to £33.9M this year. Thatchers Rosé has moved from third last year to sixth place.

79% of total Crafted value comes from the top ten brands, combined they are up 11.9% YoY. Henry Westons Vintage is seeing the most growth at +6.5%.

CRAFTED CIDER BY REGION

Total cider has 20% of its volume sold in Wales and the South West, for Crafted cider this is even higher with 30% of volume going through this region. When planning a cider range, it is important that the space given to Crafted cider is upweighted in key areas such as Wales, the South West and the Midlands. For best selling Crafted SKUs, enough facings to prevent out of stocks is of critical importance, as empty shelves at key trading periods mean sales opportunities are lost. Crafted has been a key driver of overall cider performance for a good few years now so an optimised Crafted range is the best way to grow sales.

PERFORMANCE OF CRAFTED CIDER - VOLUME





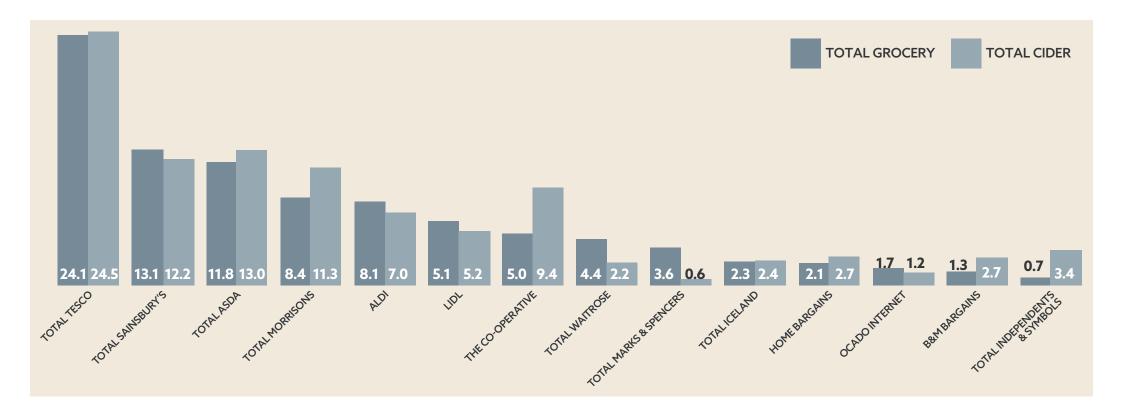
CIDER RETAILERS

RETAILER CIDER SHARE VS TOTAL GROCERY SHARE

Tesco is the largest cider retailer with 24.5% share of spend. This is an overtrade compared to their 24.1% share of grocery spend.

There was a slight undertrade last year, so Tesco have gained ground. Asda and Morrisons continue to overtrade in cider.

The Co-op have a strong overtrade in cider accounting for 9.4% of cider spend. Home Bargains and B&M have lost share compared to last year, this could be down to their higher average price per litre meaning shoppers are looking elsewhere to make savings.



CIDER SHOPPER DEMOGRAPHICS BY RETAILER

Looking at shopper profile, Ocado and Waitrose have the most affluent shopper.

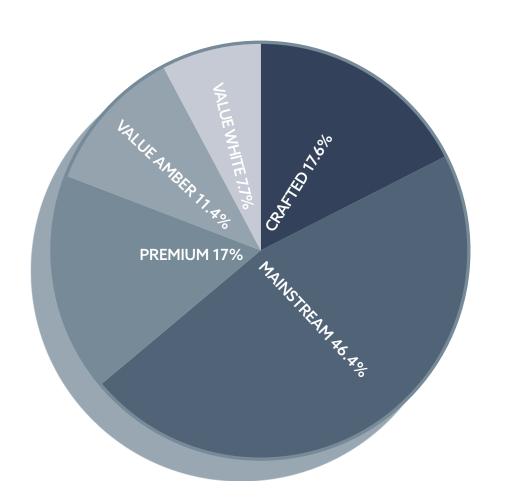
Eighty-five percent of Ocado spend comes from ABC1 shoppers. Iceland has the oldest shopper, and Aldi the youngest with 35% of spend coming from shoppers under the age of forty-five.



CONVENIENCE OVERVIEW

The convenience market has bounced back in 2022 increasing share of cider sales from 48.6% last year to 50.2%. YoY performance is better than in total market with value -4.1% (vs. -7.1%) and volume -8.4% (vs. 10.6%).

Like total cider, in convenience, Crafted is the only segment in growth at +23.6%. Crafted has 17.6% value share compared to 19.5% in the market so there is still headroom for further Crafted growth in this channel.



Henry Westons Vintage 500ml is the number one SKU in the convenience channel, £8.3M ahead of the second place product. Pack sizes are smaller in this channel with singles and four packs dominating the top ten. Larger packs have a role however, as Strongbow Dark Fruit 10 pack is the fourth highest ranked pack. Large plastic bottles are much more prevalent in Convenience with Frosty Jacks 2.5 litre and Strongbow 2L featuring here.





When the Deposit Return Scheme rolls out in Scotland, it will be interesting to see if plastic bottles see an uptick in performance as they will attract one 20p surcharge for a relatively large volume, compared to multipacks which will see for example £2.00 added to the price of a ten pack.

Within convenience, convenience multiples (e.g., Tesco Express, The Co-op) and symbol groups (e.g., Londis, Spar) are seeing the best YoY performance with value -3.7% and -2.8% respectively. Symbols represent a strong growth opportunity particularly for Crafted cider which is up 45.9% in value compared to last year in this channel.





ON TRADE MARKETPLACE

Four key dynamics have influenced the on trade marketplace in 2022:

Changing on trade structure with all sub-categories in decline (Eating, Drinking & Sleeping)

Changing consumer behaviour as we see Thursday and Sunday becoming more important for hospitality total sales, occasions becoming more casual and lower tempo since the resurgence of late night, higher tempo occasions fuelled by Freedom Day in July 2021

Quality, value for money, remains a constant as pockets become squeezed

The shifting dynamics of flavoured cider as draught fruit decline deepens with the continued shift into packaged

Since March 2020, 13,037 sites have been lost across Great Britain, a decline of -11.3%, and within this -4.5% December 2022 vs December 2021. Declines have been across all sectors, but the deepest declines have been felt by Nightclubs -14.8%. Restaurants -7.4% and Casual Dining -5.3%



The forecast for 2023 is not looking much brighter as we're already seeing the impact of uncertainty in the sector with 2,200 net closures in recent months, particularly in the independent sector.

NET CHANGE IN NO. OF ON PREMISE SITES - MANAGED V INDEPENDENTS

DECEMBER 2021 TO DECEMBER 2022

-4,809
SITES

-11

SITES

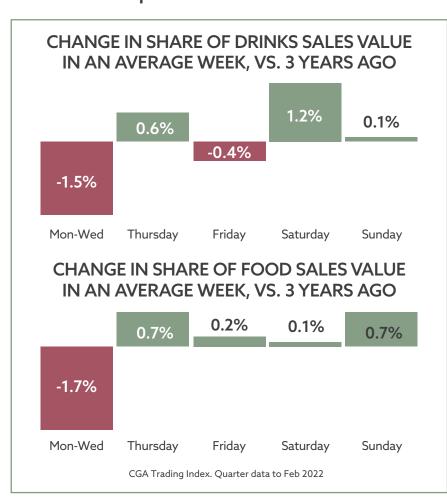
INDEPENDENT

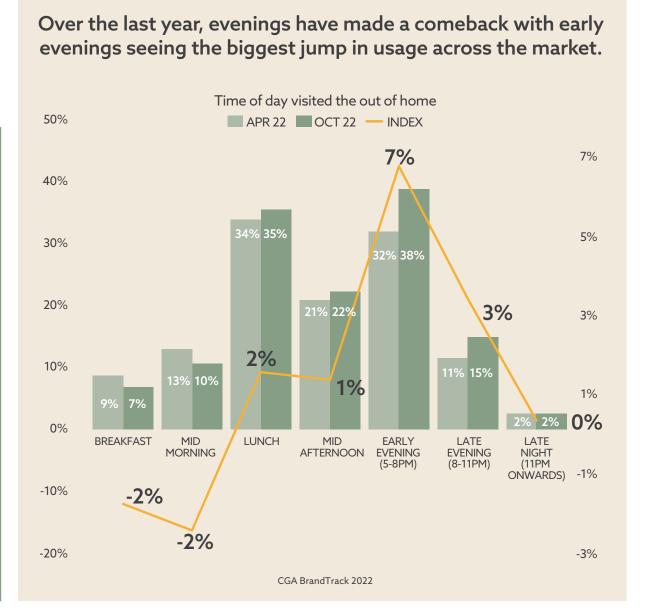
-4,078

ON TRADE MARKETPLACE

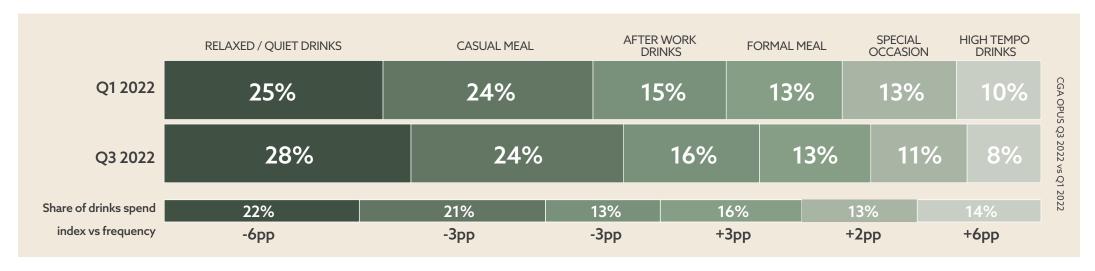
Interestingly as working from home becomes more of a usual work pattern, Friday has lost some of its share of drink sales vs 3YA.

Thursday and Sunday are becoming more important for total sales.





Occasions have become more casual and lower tempo over 2022 as the market has stabilised following the late night resurgence in 2021.



From an overall BWS perspective, Spirits have started to see a gradual decline after a post COVID performance with share filtering into Cider which sees the fastest growth in sales.

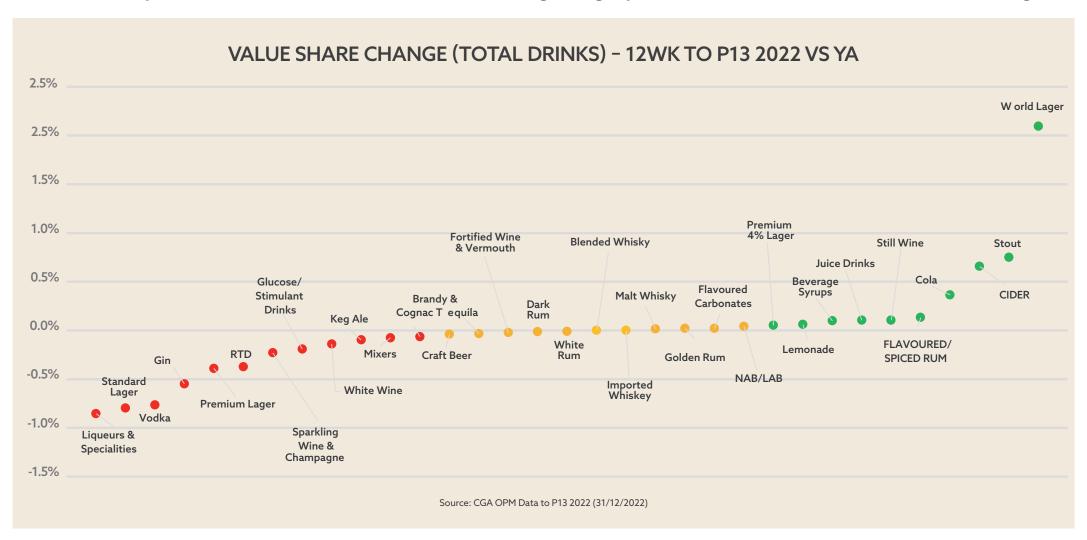
TOTAL WET CATEGORY: P13 2022 QTR VS YA

	CIDER	BEER	SPIRITS	SOFTS	WINE/ CHAMPAGNE	RTD
Value % change	+19.60%	+9.80%	-2.30%	+9.50%	+4.60%	-32.10%
Share Value	5.70%	42.00%	25.30%	14.50%	11.90%	0.70%
Ppt Chg vs YA	+0.7pp	+1.5pp	-2.1pp	+0.5pp	-0.1pp	-0.4pp

Source: CGA OPM Data to P13 2022 (31/12/2022)

ON TRADE MARKETPLACE

Over recent periods, Cider has become the third winning category in the on trade behind Stout and World Lager.



From a value in December 2021 of £1,153M the total cider market in December 2022 is now valued at £1,863M and increase of 61.5%. From a pint for pint perspective the average price of cider has increased to £4.17 per pint, up 14p YoY.

2022 ON TRADE VOLUME SPLIT



ON TRADE MARKETPLACE

The move from mainstream into more premium brands continues to accelerate.

56.8% OF TOTAL DRAUGHT CATEGORY IN MORE PREMIUM BRANDS

GOOD

43.2% OF TOTAL DRAUGHT APPLE-8.8ppts YoY Average RSP £3.57

MAINSTREAM APPLE

Functional brands.
Commodity bases & reliable.
Little consumer category engagement.











BETTER

42.4% OF TOTAL DRAUGHT APPLE +4.6ppts YoY Average RSP **£4.02**

PREMIUM MAINSTREAM APPLE

Trade-up brands with greater consumer category engagement. Authenticity, taste & provenance are key purchase drivers.







BEST

14.4% OF TOTAL DRAUGHT APPLE +4.2ppts YoY Average RSP **£4.68**

CRAFTED APPLE

Premium taste & profile experiences.

Highly engaged consumer looking
for new discoveries.











Mainstream apple has an average RSP of £3.57 per pint, Premium & Crafted brands now account for 56.8% of draught apple cider and combined they attracted an average RSP of between 45p - £1.11 more than Mainstream.

Overall packaged cider share has declined 2.6ppts from December 2021 to represent just 23.7% of the total cider category in December 2022. Anecdotally draught cider is seen as a far better value for money serve in times of austerity than packaged.

Despite strong growth from their launch and the promise of a greater share than draught apple, flavoured draught ciders are now significantly losing share with a reduction of 2ppts vs December 2021. Strongbow Dark Fruit is still the market leader with 55.6% share, a reduction of 7.5ppts from December 2021 as new draught flavoured ciders become established, including Old Mout Berries & Cherries, Cornish Rattler Berry & Stowford Press Mixed Berries.

Yet in a declining category, premiumisation is clearly evident as the average price per pint of a draught flavoured cider is £3.93, 11p per pint higher than the average price of a pint of Strongbow Dark Fruit.



ON TRADE STOCKING RECOMMENDATIONS

An effective and efficient cider range is one that is clearly differentiated with each brand and format offering something uniquely different. Achieving maximum revenue will be determined by the proposition of each brand and whether it is first point of entry cider, a more premium trade-up, Crafted cider for discovery and exploration or fruit.

Format has a large part to play when refreshing a cider range. Limiting the number of draught lines has become common place as economic conditions prevail.

Outlet style, geography and volume will ultimately guide this but careful consideration should also be given to the balance of apple vs fruit taps.

CGA outlet classification shows Bronze outlet draught ranges now mirroring Silver & Gold from 5 years ago (share of premium draught brands in both Silver and Gold outlets now at 50% of total draught range).







With the increasing trend away from mainstream cider, draught space should be reserved for those more premium brands to which which consumers will be drawn. Balanced with this will be those brands which are perceived to have an affordable, value for money, quality proposition.

The number of draught cider brands being stocked has grown vs the same time period in 2022.



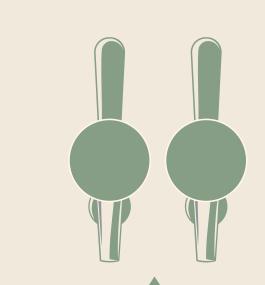
ON TRADE STOCKING RECOMMENDATIONS

AVERAGE NUMBER OF DRAUGHT CIDERS STOCKED - QTR TY vs YA



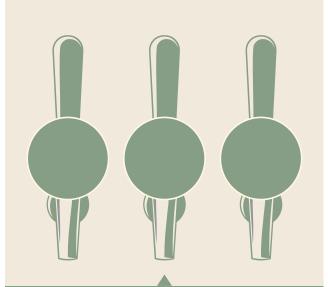
50.1%

of draught cider stockists stock 1 DRAUGHT CIDER -2.5pp vs YA



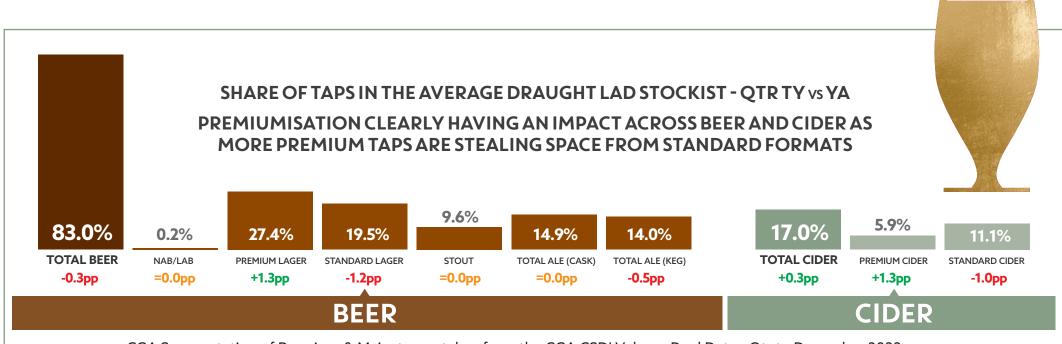
37.8%

of draught cider stockists stock 2 DRAUGHT CIDERS +0.3pp vs YA



12.1%

of draught cider stockists stock 3 OR MORE DRAUGHT CIDERS +2.2pp vs YA



CGA Segmentation of Premium & Mainstream taken from the CGA CSDI Volume Pool Data - Qtr to December 2022



ONTRADE SNAPSHOT

£1,863.5M IS SPENT ON CIDER IN THE ON TRADE +61.5% VS YA

of cider were purchased, up +56.2% vs YA



On Trade volume share is 76.2% draught serve, +61.5% YoY and 23.8% packaged serve, +41.4% YoY

On Trade value share is 71.1% draught serve +68.8% growth YoY and 28.9% packaged serve, +46.2% YoY



The average price of a pint of cider is £4.17, +£0.14 vs YA



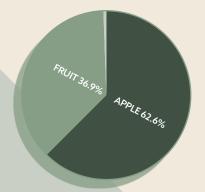
The average on trade outlet sells **26.6 hls of cider per year**, +8.4% vs YA

There are **95,361 cider distribution points** (apple & fruit), +44% vs YA

CIDER REGIONALITY

FLAVOUR

Туре	Share	Growth
Apple Cider	62.6%	+56.2%
Fruit Cider	36.9%	+47.5%
Pear Cider	0.5%	+14%



TOTAL CIDER

Over 55% of total cider volume is focussed in just 4 TV regions - South West, Central, London & Lancashire). Each with a different format profile, be it apple, fruit, draught or packged

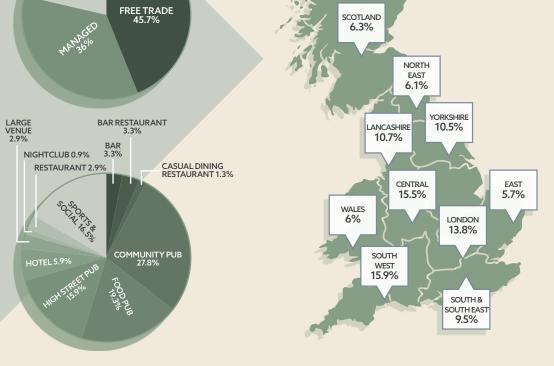
	Ranking	Share	Growth
South West	1	15.9	+60.5
Central	2	15.5	+62.4
London	3	13.8	+60.9
Lancashire	4	10.7	+54.8
Yorkshire	5	10.5	+53.1
South & South East	6	9.5	+47.6
Scotland	7	6.3	+62.4
North East	8	6.1	+48.5
Wales	9	6.0	+55.6
East	10	5.7	+44.3

TENURE

Туре	Share	Growth
Free Trade	45.7%	+55%
Managed	36%	+63.7%
Non-managed	22.2%	+48.6%

VENUE

Share	Growth
3.3%	+63.9%
3.3%	62.4%
1.3%	+35.8
27.8%	+60.3%
19.3%	+52.5%
15.9%	+74.5%
5.9%	+56.3%
2.9%	+63.5%
0.9%	+77.9%
2.9%	+27.1%
16.5%	+42.4%
	3.3% 3.3% 1.3% 27.8% 19.3% 15.9% 5.9% 2.9% 0.9%



WESTONS CIDER REPORT 2023

DRAUGHT APPLE

The South West is the leading region for draught apple cider with just over 20% of total UK draught apple volume

South West Central London South & South East Yorkshire	#Ranking 1 2 3 4 5	% Share 20.2 16.4 14.5 10.1 8.3	% Growth +65.0 +69.5 +76.7 +54.9 +62.2
Lancashire Wales East Scotland North East	6	8.3	+66.5
	7	6.7	+69.6
	8	5.2	+52.4
	9	5.2	+70.2
	10	5.1	+57.3

DRAUGHT FRUIT

Despite Central currently being the largest TV region for draught flavoured cider, the northern bias remains for flavoured cider. Although the South West has moved up the rankings since the 2022 Cider Report as draught fruit gains distribution in this key cider geography

	#	%	%
	Ranking	Share	Growth
Central	1	16.7	+55.5
Lancashire	2	16.0	+49.8
Yorkshire	3	14.8	+46.4
South West	4	9.2	+55.4
North East	5	9.0	+42.8
South & South East	6	7.7	+44.1
London	7	7.7	+46.0
Scotland	8	7.5	+73.3
Wales	9	6.0	+42.0
East	10	5.5	+43.9

PACKAGED APPLE

London by far is the largest geography for packaged apple cider but is growing across all TV regions

	#	%	%
	Ranking	Share	Growth
London	1	22.5	+38.9
South West	2	12.6	+44.1
Lancashire	3	11.6	+21.5
Central	4	10.4	+28.6
South & South East	5	9.3	+23.0
Scotland	6	9.1	+50.2
Yorkshire	7	7.7	+34.0
East	8	7.5	+20.1
Wales	9	4.8	+39.4
North East	10	4.6	+36.4

PACKAGED FRUIT

Packaged Fruit mirrors
Packaged apple with London
being the leading geography

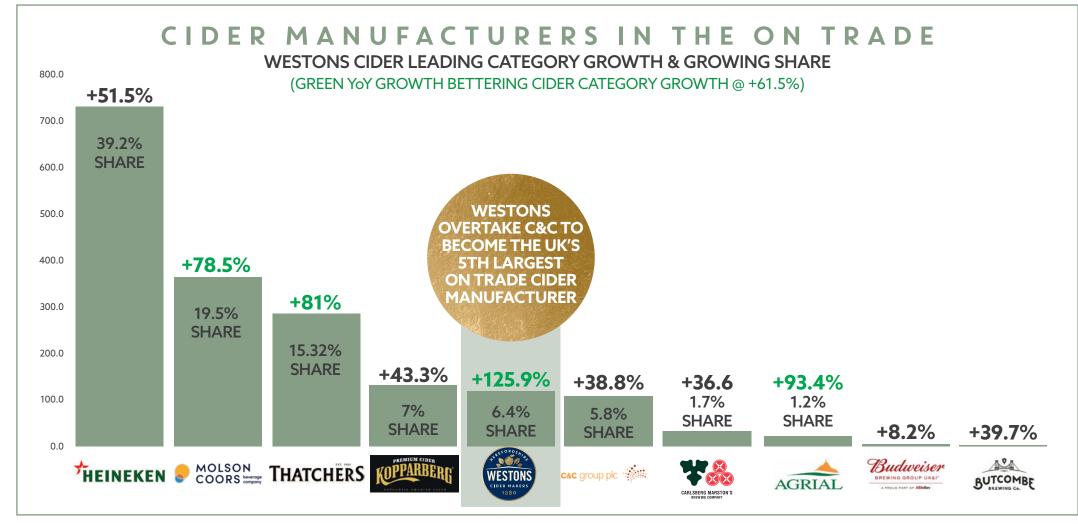
	#	%	%
	Ranking	Share	Growth
London	1	15.3	+42.9
Yorkshire	2	13.9	+48.9
Central	3	12.8	+56.2
Lancashire	4	12.6	+51.3
South West	5	10.0	+48.5
South & South East	6	9.4	+37.2
Scotland	7	8.0	+44.3
East	8	7.1	+34.2
North East	9	6.8	+40.6
Wales	10	4.2	+30.0

TOP 10 MANUFACTURERS

A review of the UK's Top 10 Cider Manufacturers reinforces the premiumisation trend at a macro level.

Molson Coors, Thatchers and Westons with their more premium cider portfolios significantly out-perform the category growth.

Collectively these three represent over 40% share of the UK's Top 10 On Trade Cider Manufacturers.



CGA Strategy, On Premise Measurement Service, P13 Top 20 Draught Brands, Value 31/12/2022 vs YA

THE TOP 10 DRAUGHT APPLE



Clearly driving overall cider category growth, draught apple has seen a 65.5% volume growth over the past 12 months, edging share vs draught fruit by 1.8ppts. Value growth +73% again exceeds volume growth as we see premiumisation deepen (plus broader price inflation across BWS).

The Top 5 draught apple ciders represent 51.2% of total draught volume, remaining constant with 2022. Although as we look at total draught apple volume, the Top 5 brands account for 68.4% down from the previous 69.8%. Strongbow as the market leader has the largest share at 27.5% but this has been significantly eroded since 2022 as more premium Crafted brands gain share and Inch's from its own portfolio enters the Top 5 at #5.

More premium brands such as Stowford Press, Thatchers & Aspall have grown share in the Top 10 as premiumisation continues. The top 4 brands remain in their 2022 positions but both Aspall SKUs have overtaken Magners which now sits in 8th position.



THE TOP 10 DRAUGHT FLAVOURED

Dropping just under 2ppts since 2021, draught flavoured cider now accounts for just 24.6% of the total draught cider category. Comparatively in the Summer of 2019, it represented over 30% share of the total draught category and was growing at +22.1% vs the previous year. The format switch from draught flavoured towards packaged flavoured is gaining ground and looks to continue well into 2023.

Falling well below total cider growth from a volume perspective, value growth is still significantly ahead at +57%, compared to volume at 50% indicating a combination of price inflation and premiumisation as a wider range of draught flavoured ciders now occupy the bar.

The Top 5 draught flavoured ciders represent 21.4% of total draught cider, a drop of 2.7ppts from the 2022 Cider Report and a commanding 86.9% of total draught flavoured cider. Growth of brands outside of the Top 5 has diluted the category leaders and we're seeing more premium brands gaining ground, particularly Stowford Press Mixed Berries up into 5th position (+373% vol) and strong growth from both Cornish Rattler Berry (+47.7% vol) & Mortimer's Orchard English Berry (+64.4% vol).



THE TOP 10 PACKAGED

Overall packaged share of total cider has declined by over 2 ppts vs 2021 as we see interest move to the front of the bar back into draught. Both packaged volume (+41.4%) and value (+46.2%) underperform vs the total cider category at +56.2% volume and +61.5% value growth.

Packaged flavoured remains the largest share at 76.2%, apple 21.6% and pear just 2.2%. With just 2 apple brands in the top 10, Strawberry & Lime remains the most popular flavoured packaged cider. In terms of flavour format, dark berry is less prevalent in packaged as the category has greater breadth covering more tropical and red berry fruits.



BAG-IN-BOX OPPORTUNITY

As cask ale continues to decline, bag-in-box ciders are an excellent way to reinvigorate draught range.

They present an opportunity to showcase a vibrant and interesting bar which is fully stocked with no dead, out of use draught handpulls.

BENEFITS OF BAG-IN-BOX CRAFTED CIDERS



- Compared to cask ales, bag-in-box ciders have an extended shelf life ensuring the cider
 is always poured in peak condition and always a consistent pint, down to the very last
 drop. BiBs will last up to 12 months unopened and 6-8 weeks opened, unlike cask ale
 which has a very precarious 4-5 days in total.
- With hospitality staff churn an issue, there's no specific training needed to keep the perfect pint of Crafted cider other than general cellar and line cleaning.
- Less risky than cask as each box contains either 17 or 35 pints, depending on the brand.
- Significantly higher RSP than cask ales so provide an opportunity to massively increase revenue.



ALES SALES VALUE -14.8% OVER THE LAST YEAR

Ale remains the worst performing category. Cask ale continues to perform behind keg CASK IS DOWN -20.9% VERSUS 2019

Over the last 12 weeks performance has worsened to -22.5%

THERE ARE 5.4M CASK DRINKERS OUT OF HOME

A huge opportunity to trial Crafted ciders

44% OF CASK DRINKERS SAY THAT CASK IS A 'SIGN OF A GOOD PUB'

Handpulls are a strong indicator of quality and create an icon for the drinker to be drawn to

33% OF CASK DRINKERS SAY THAT CASK ALE IS 'WHAT MAKES A PUB SPECIAL'

Great purchase driver

Cask Marque 2022, CGA Strategy On Premise Measurement Service P9 & P8

MAXIMISING YOUR RANGE – CASK & CRAFTED CIDER RECOMMENDATION

Old Rosie, the UK's leading Bag-in-Box cider average RSP +8.7% greater than a seasonal Crafted cask ale

NATIONAL CASK ALE £3.74 Average RSP 2

REGIONAL CASK ALE £3.79 Average RSP 3

SEASONAL/ CRAFTED CASK CASK ALE £3.99 Average RSP 4

CRAFTED BAG-IN-BOX CIDER £4.34 Average RSP

Historically, the majority of UK pubs had between 3-4 draught handpulls stocking a variety of national, regional and seasonal/Crafted cask ales (excl. keg), if not more. But sadly this is no longer the case with many now lying idle and no longer generating income. Introduce our range of Crafted BiB ciders on pumps 3 and 4 and totally revitalise your draught offer. Choose from our range of bright, hazy, apple and fruit flavoured ciders and improve your bar health.

THE ORIGINAL SLOWLY MATURED CLOUDY CIDER & LEFT UNFILTERED Still, medium-bodied cloudy cider made from bittersweet Herefordshire apples

ALC 6.8% VOL

WESTONS CIDER EST. 1880

INTERNATIONAL SNAPSHOT

TOP TEN LARGEST CIDER MARKETS BY VOLUME

The UK is larger than the rest of the top five countries combined. Of the top ten countries, Argentina has seen the most growth with volume up 4.8% vs last year. Outside of the top ten, countries seeing significant growth are New Zealand (ranked 13th) up 10.7% and Brazil (ranked 16th) is up 10.0% YoY.





















TOP 10 GLOBAL CIDER BRANDS BY VOLUME

- 1 Strongbow Cider
- Savanna Cider
- 3 Somersby Cider
- 4 Hunter's Cider
- 5 Thatchers Cider
- 6 Kopparberg Cider
- 7 Angry Orchard Cider
- 8 Magners Original Cider
- 9 Westons Cider
- 10 Lubelski Cider

ISWR Database 2022





GABE COOK
THE CIDEROLOGIST'S VIEW

As has been documented in previous iterations of the Westons Cider Report, the UK is the biggest producer and consumer of cider of any nation on the planet. Unlike the other 'old world' nations, such as France and Spain, cider consumption in the UK transcended the classic regions of production in the West, South West and South East to gain nationwide distribution and appreciation. That's why we're lucky enough to be able to drink cider in every bar up and down the country!

However, the UK's share of the global cider pie has declined rapidly over the last decade thanks to a massive global expansion of the places where cider is made and consumed. This growth has been keenly focussed in areas that previously had little by way of cider heritage, such as Eastern Europe, Australasia and Northern America. You would be forgiven for not being aware of this because you don't see these ciders in the UK market place (yet). But let me tell you, as someone lucky enough to have lived or worked in these places, the ciders being produced in the 'new world' are some of the highest quality to be found.

In the USA, cider was actually the first fermented beverage of the European colonisers in North America - beer didn't really take over until Czech and German immigrants started arriving in large numbers in the 19th century. However, most of that legacy was obliterated by prohibition. Lasting from 1920 to 1933, this period saw most of the cider orchards ripped up or burnt down. The result was that cider was in the doldrums for many decades. By the 1990s there were only three cider makers across the whole nation. It wasn't until about a decade ago, largely inspired by the success of craft

beer, that cider really started to gain some traction.

Today, the USA is the world's 3rd largest producer of cider, with 1000+ makers and with at least one cider-specific bar in every major city. There is a modernity, vibrancy, energy and explorative approach to cider in the US which isn't always the case in the UK. Undoubtedly this is due in part to the craft beer influence, but also because it isn't part of the 'old world'. Although lacking that heritage, US producers are not bound by it from a production point of view, and the US drinks trade and consumer doesn't have some of the long standing (often negative) preconceptions of what cider is.

Demonstrating this energy and investment is the world's largest cider event, the appropriately titled, CiderCon. Run by the national representative body, the American Cider Association (ACA), I attended the 10th annual CiderCon in Chicago in February 2023 – my fourth time attending. Taking over a sizeable portion of the downtown Hilton Hotel, people attended from 40 US states and nine different countries. Across three days there were tasting sessions, a massive trade show and a packed schedule of seminars covering legislation, marketing and production.

The makers in attendance were mostly under 40, many are based in cities, buying in juice to make fresh, juicy and easygoing ciders in cans. Others producers make 'orchard based' ciders, with a focus on apple variety, terroir and food matching. Both have room to play within this most exciting of markets.



WE'D LOVE TO HEAR FROM YOU!

We would really like to hear from readers and invite you to share your thoughts: CiderReport@westons-cider.co.uk

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> Westons Cider would like to thank the following contributors to the 2023 Westons Cider Report Special thanks to contributors:

Fenella Tyler National Association of Cidermakers, Alex Heffernan IRI, Chris Sterling CGA by Nielsen, Gabe Cook The Ciderologist, James Walton IGD, Kantar And thanks to our Data Sources (unless stated):

CGA Strategy On Premise Measurement Service, P13 31/012/2022, CGA Strategy Outlet Index December 2022, CGA Cost or Living Pulse Survey January 2023, CGA Hospitality Market Monitor January 2023 CGA CSDi Volume Pool Data Qtr to Dec 2022, IRI 52w/e 31st December 2022, Kantar 52w/e 25th December 2022, Kantar Alcovision 52w/e 31st December 2022, Globaldata January 2023, Mintel 2022, ISWR Database 2022

