



Beau's Brewing Company

Crafting International Opportunities

Beer in Canada

- Canadians drink on average 75 litres of beer yearly
- Consumption is declining but the number of brewers is growing
- Market increasingly saturated
- Alcohol in Canada is regulated provincially





Craft Beer

Beer made by a brewer that is small, independent, and traditional.

<https://www.thespruceeats.com/craft-beer-definition-353250>

Beau's Brewing Company

- Founded in Ontario in 2006
- First all-natural, premium, organic beer in the region
- Commitment to sustainable practices and local sourcing
- Largest craft beer manufacturer in Canada by 2015



Products



Lug Tread

LAGERED ALE · 5.2%

Crisp, balanced, refreshing



Country Vibes

AMBER LAGERED ALE · 4.7 %

Malty, crisp, balanced



Full Time I.P.A.

I.P.A. · 6.0%

Hoppy, Fruity, Bold



Good Time

SESSION I.P.A. · 4.0 %

Hoppy, light, satisfying



Local Organic

ALE · 4.0%

Fresh, hoppy, balanced



Lug Tread 2.5%

LAGERED ALE · 2.5 %

Full craft flavour, light and refreshing



Wag The Wolf

WHITE I.P.A. · 5.0%

Fruit, tropical, bright

Additional seasonal and special edition beers released regularly

North American Expansion

Started with local sales only (within 1-day's drive)

First expanded to Quebec

Moved to rest of Canada with the help of distribution agents

Most sales still come from Ontario & Quebec

Expanded to the U.S. in 2014 through distribution deal with Remarkable Liquids, a New York-based distributor of craft beer





International Opportunities – U.S.

1-hour drive from Beau's production facilities

90% of beer exports from Canada go to the U.S.

Some experience with the U.S. market via New York distributor

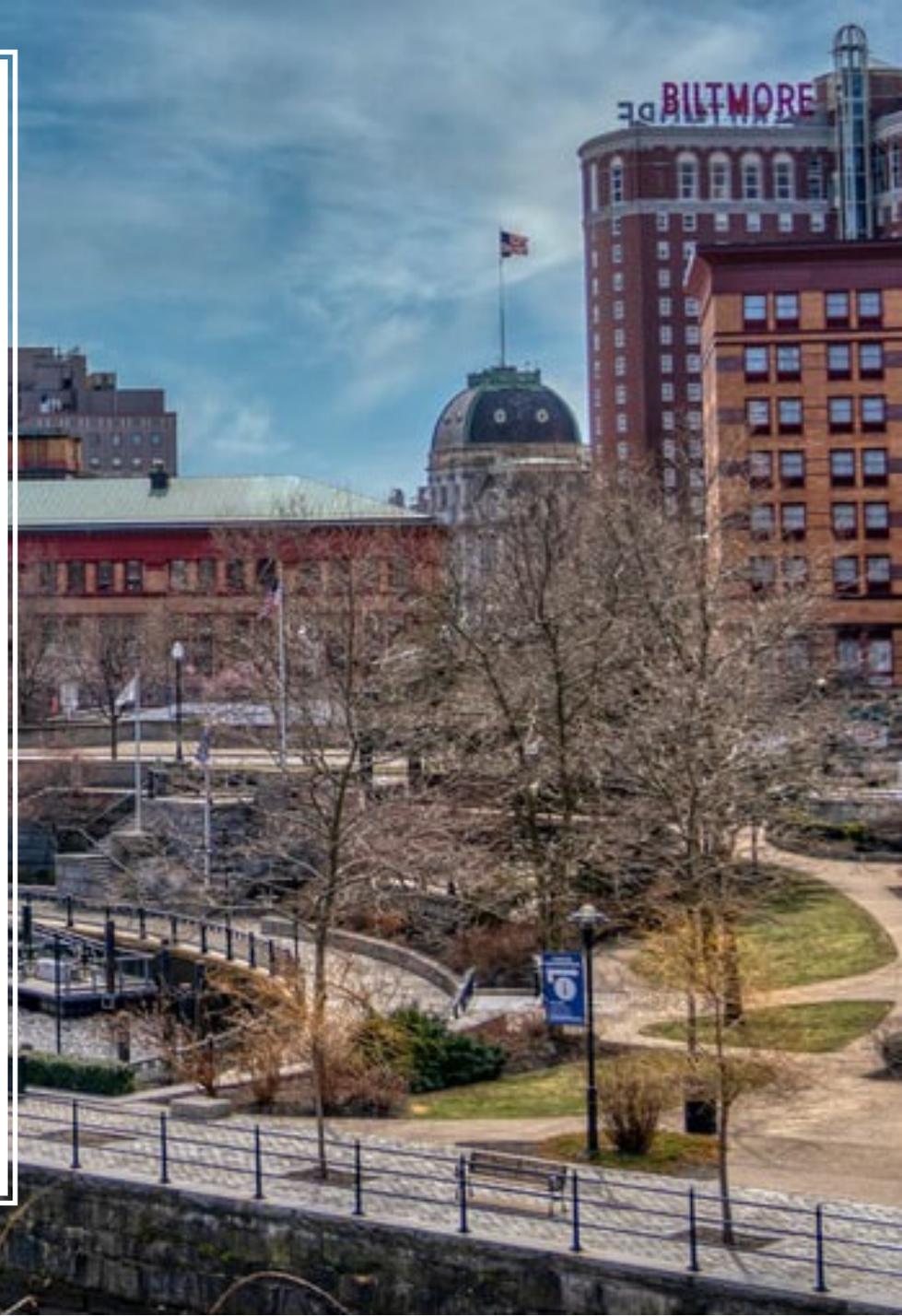
Craft beer holds 12.7% of the beer market in the U.S.

High consumption



Northeastern U.S. States

- Closest to Canada
- Used to Canadian products
- Different distribution approval process in each state
- Beau's would be responsible for export declaration required, modifications to labelling, packaging, and marking



Northeastern U.S. States

New York

- One of the largest U.S. beer markets
- 4th largest number of breweries (386)
- 6th largest producer of craft beer
- 31st in terms of brewer per capita
- Large distance between major cities

Massachusetts

- Medium-sized market
- 155 breweries
- 13th largest producer of craft beer
- 27th in terms of brewers per capita
- Easiest point of distribution would be Boston

Rhode Island

- Small market
- 26 craft breweries
- 20th in terms of brewers per capita
- Easiest distribution as population is concentrated in Providence





International Opportunities - Europe

- Germany, U.K., and Spain are the largest markets for beer
- Interest in North American craft beer despite many local producers
- The U.S. brewers association had export programs to support American brewers
- Market is fragmented (lots of small producers rather than major players owning majority of market share)

International Opportunities - Asia

- Largest population in the world
- Largest country of interest is China due to size and high beer consumption
- Beer market has been stagnant for past few years
- Industry concentrated around 5 major brewers
- Low competition with local craft breweries
- Craft beer attractive to younger consumers in largest cities
- Consumers less experienced with craft beer and exotic flavours



Strategic Fit with International Market

- Sustainable production practices were Beau's main point of differentiation from the competitors.
- Local distribution (within 160 kms) is the standard for the craft Beer market.
- These concepts were difficult to maintain in international markets.





Challenges in International Expansion

Trade barriers

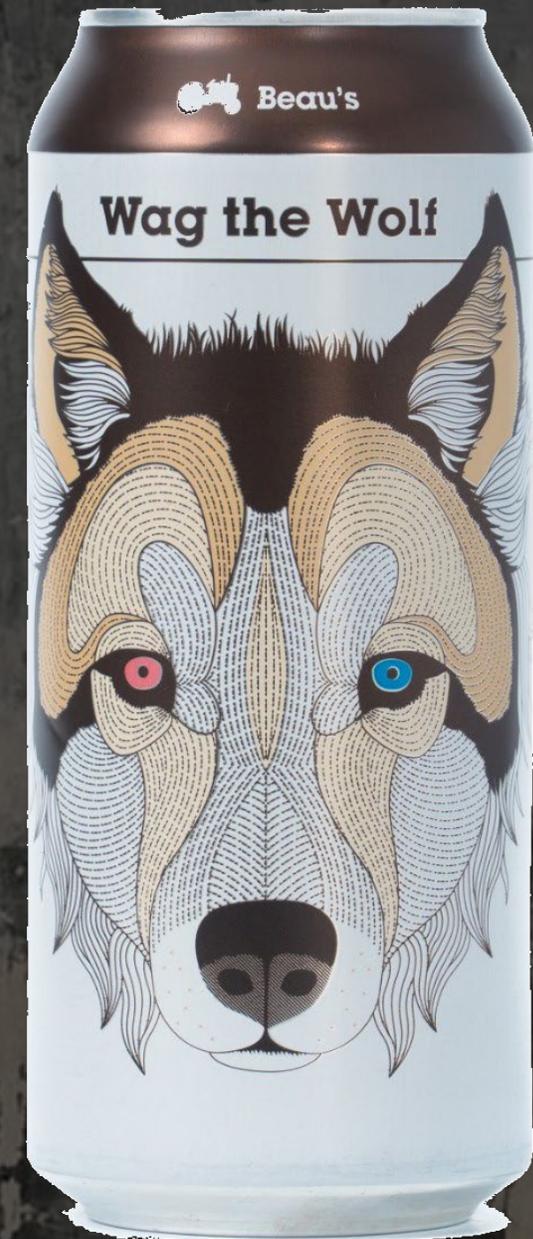
Import challenges (high taxes, tariffs)

Poor value-to-weight ratio making transportation costs high

Perishable – recyclable plastic kegs make it easier to store over time but go against the company's commitment to sustainability

The Debate

1. Expand to China
2. Expand to Germany
3. Expand to Massachusetts
4. Expand to Spain
5. Expand to Rhode Island
6. Expand within Canada



Debate Rounds

Qualify

Debate A

1. China
vs.
2. Germany

Debate B

3. Massachusetts
vs.
4. Spain

Debate C

5. Rhode Island
vs.
6. Canada

Finals

3-Way Debate

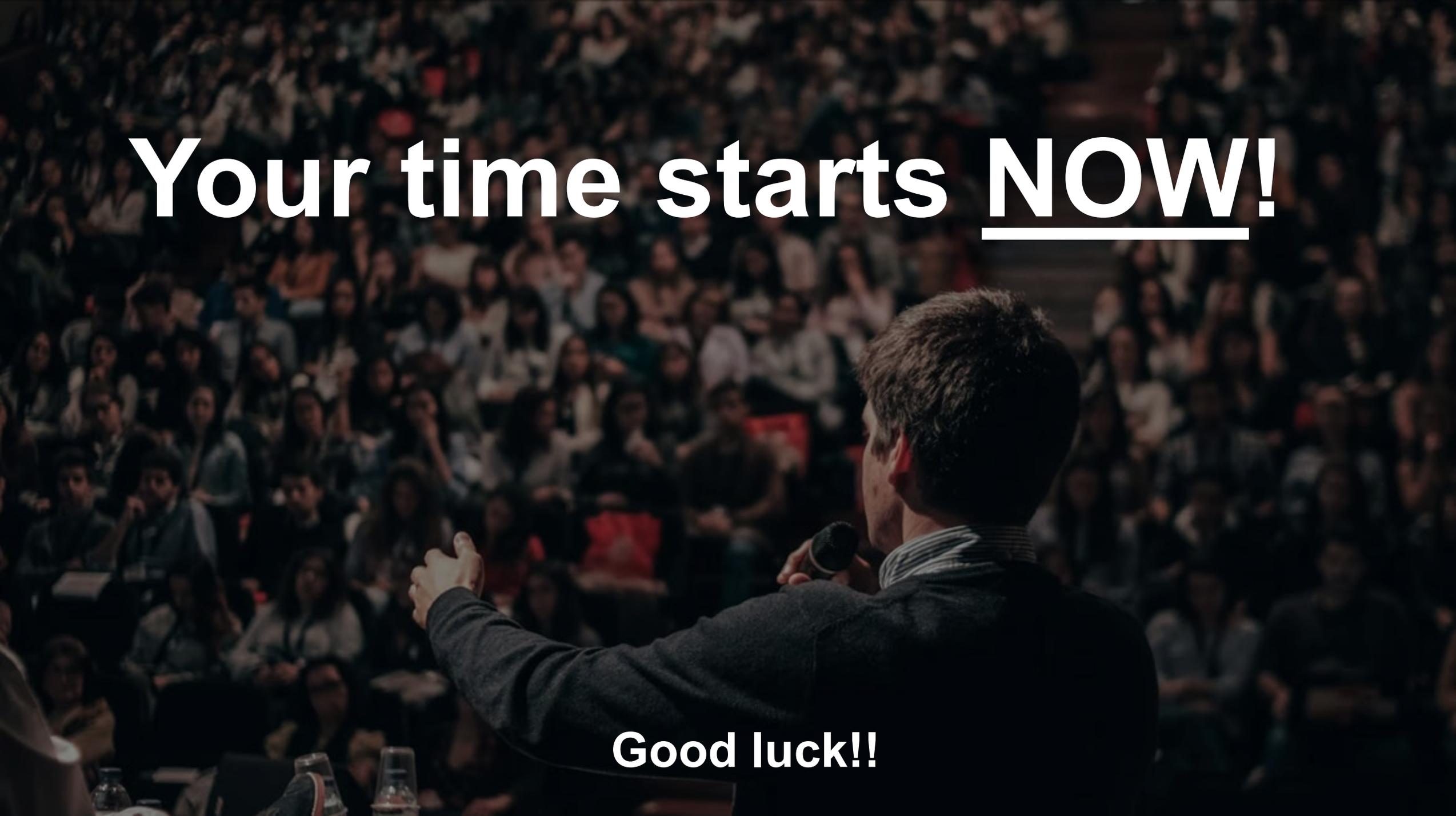
Debate A Winner

vs.

Debate B Winner

vs.

Debate C Winner

A man in a dark sweater and light shirt is seen from behind, speaking into a microphone and gesturing towards a large, dense crowd of people seated in an auditorium. The scene is dimly lit, with the speaker and the text being the primary focus.

Your time starts NOW!

Good luck!!