



Beer and non-alcoholic beverages

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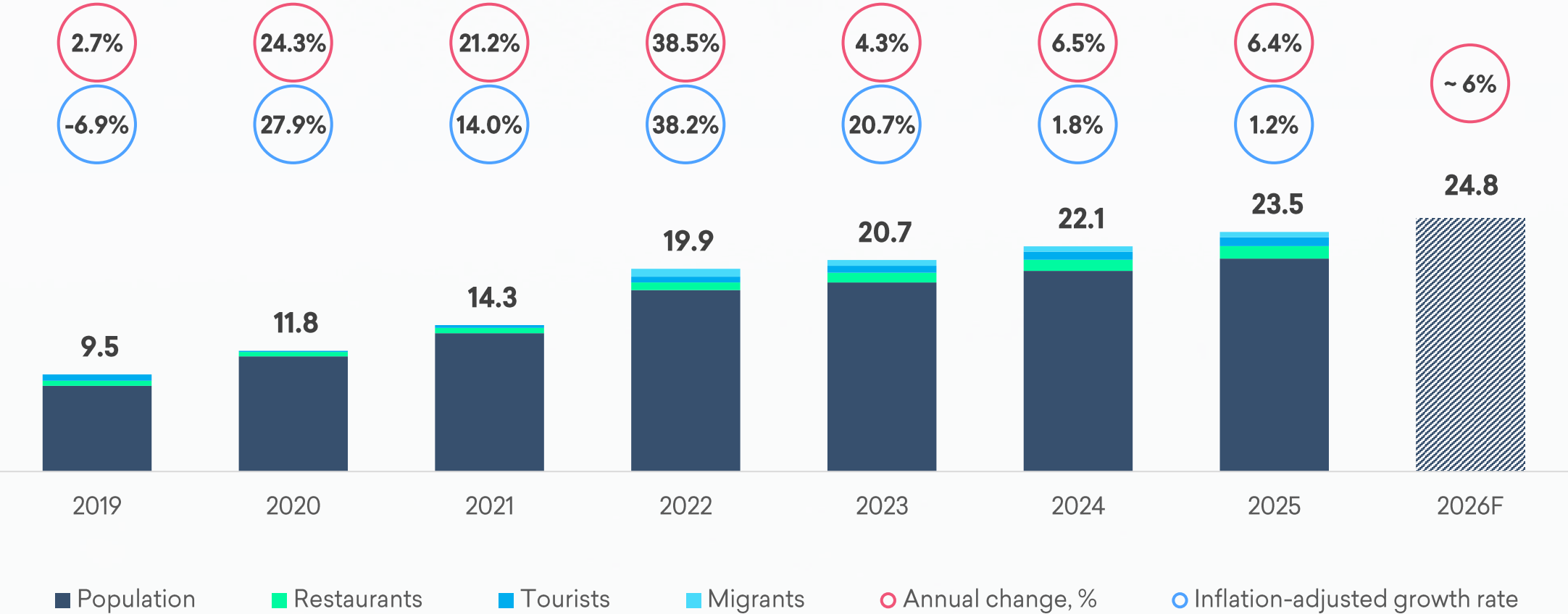
Key Findings

- The beer market remains on a solid growth trajectory, with beer producers' turnover reaching GEL 636 mln in 2025 and recording a 12.1% CAGR over 2019-25.
- Beer demand reached a record 141 mln liters in 2025, while per capita consumption has increased significantly over the past five years. Although domestic production continues to satisfy most demand, imported brands are gradually gaining share.
- Domestic beer production volumes have softened over the past two years, returning to around 2021 levels, with the contraction continuing in 1Q'26. At the same time, higher average beer prices have supported production value despite relatively stable volumes.
- Beer trade dynamics are shifting, with imports trending upward while exports have declined since 2023. Import and export unit prices have also diverged, with the average import price exceeding the export price in 6M'26.
- The non-alcoholic beverages segment has also expanded materially since the pandemic. Production volume declined by 5% in 2025 after several years of growth, although 1Q'26 data points to a potential recovery during 2026. Rising production value alongside broadly stable volumes indicates higher average unit prices.
- Exports are becoming an increasingly important growth driver for non-alcoholic beverages, reaching 162 mln liters in 2025, while imports have remained broadly stable.
- Demand fundamentals remain supportive across both segments. Household spending on FMCG and HORECA continues to benefit from an expanding middle income consumer base, while HORECA growth and a favorable tourism outlook provide additional support for beverage consumption.
- The sector is concentrated among four major players, all of which have delivered positive revenue growth, with five-year revenue CAGRs ranging from 8% to 16%. Profitability has also shown signs of improvement, with the sector's weighted average gross margin reversing its post-pandemic decline in 2025.

FMCG revenue growth has remained stable over the past three years, with a similar pace expected in 2026

Total FMCG market revenue

GEL bn, incl. VAT

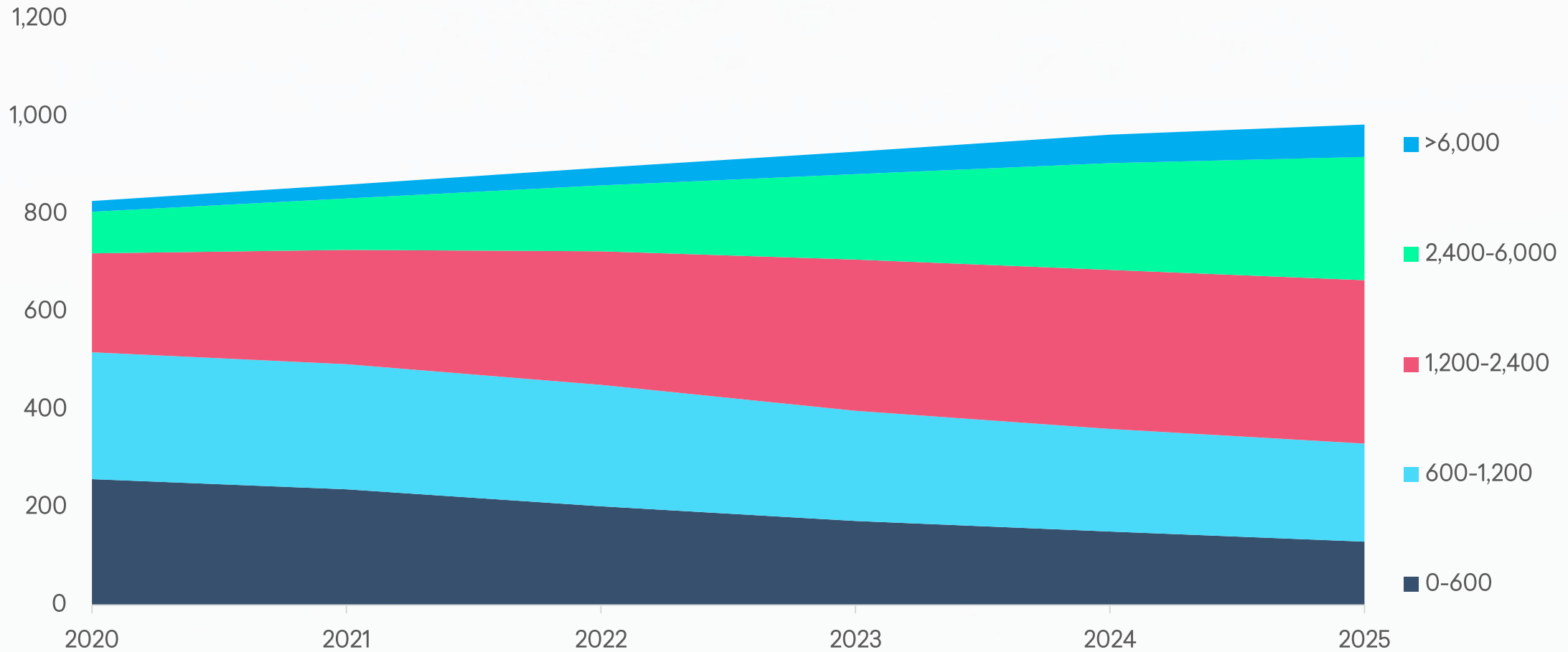


Source: Geostat, NBG, TBC Capital

An expanding middle-income consumer base is expected to support further growth in FMCG and HORECA spending in absolute terms

Number of salary recipients by income brackets

1,000 persons, GEL incl. income tax

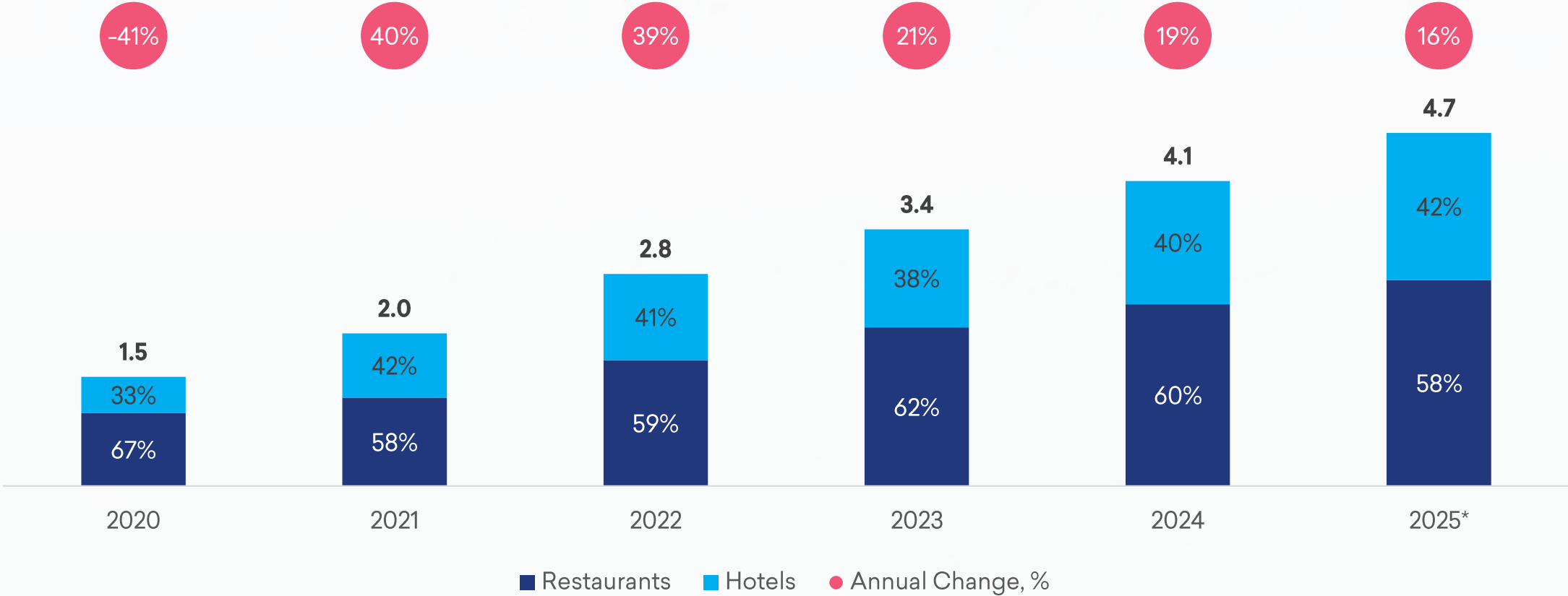


Source: Revenue Service, TBC Capital

HORECA, a key sales channel for beer and non-alcoholic beverages, is expected to maintain strong growth, supported by a positive tourism outlook

Georgian HORECA sector turnover

GEL bn, incl. VAT

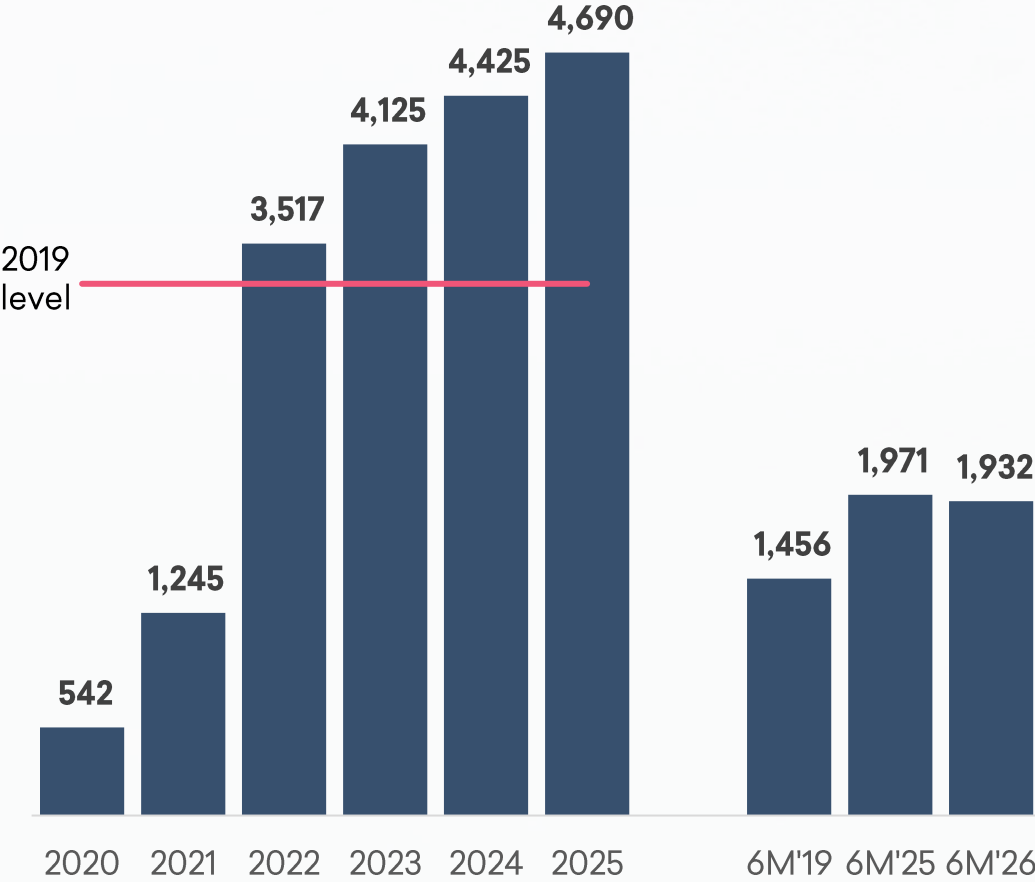


Source: Geostat, TBC Capital

Tourism revenues reached USD 4.7 bn in 2025, while the slight decline in 6M'26 is expected to reverse as Middle East tensions ease

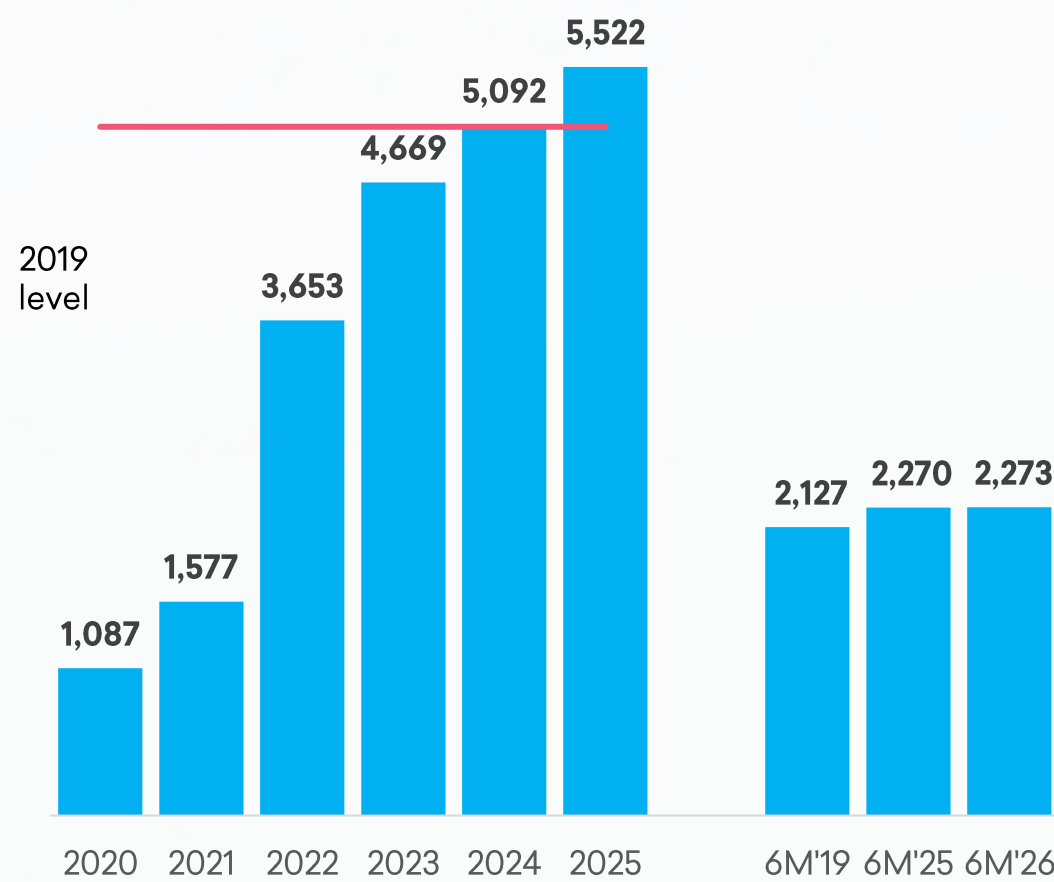
Tourism inflow in Georgia

USD mln



Tourism visits in Georgia

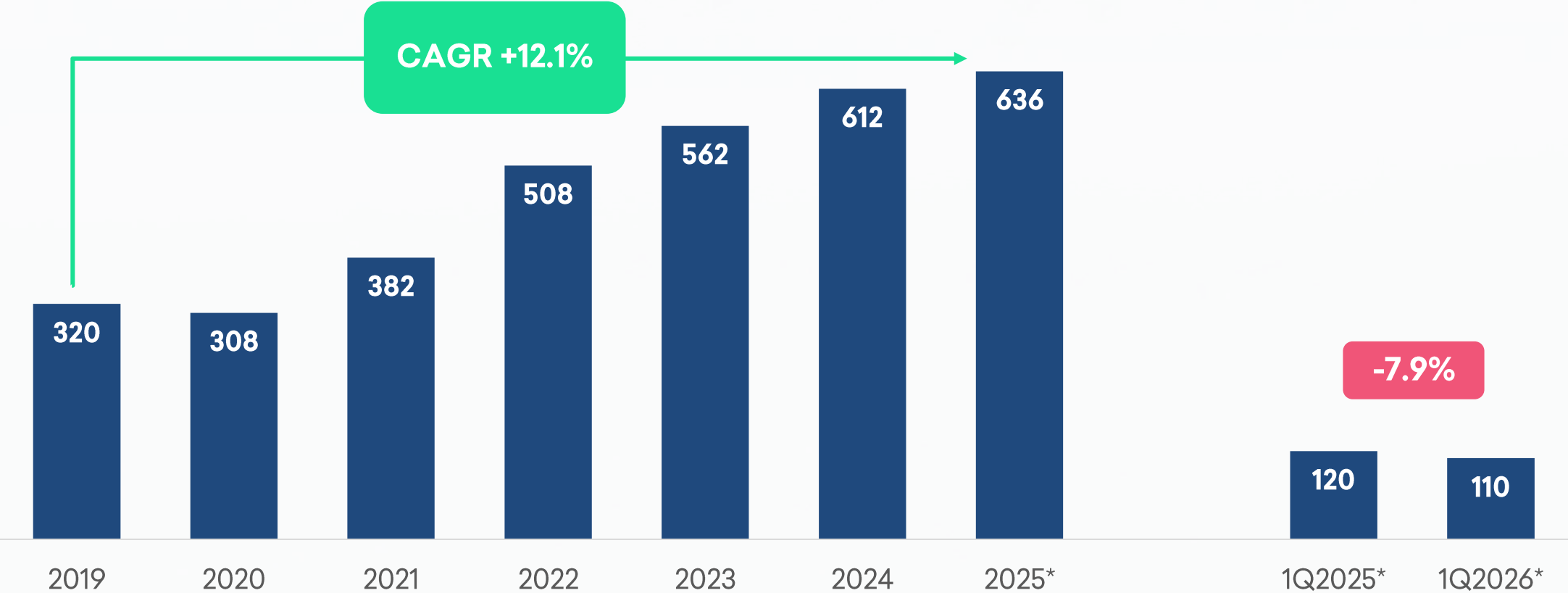
1,000 visits



Source: NBG, GNTA, TBC Capital

Beer producers' turnover reached GEL 636 mln in 2025, posting a 12.1% CAGR over 2019-25, before declining by 7.9% YoY in 1Q'26

Beer producers' turnover
GEL mln, excl. VAT

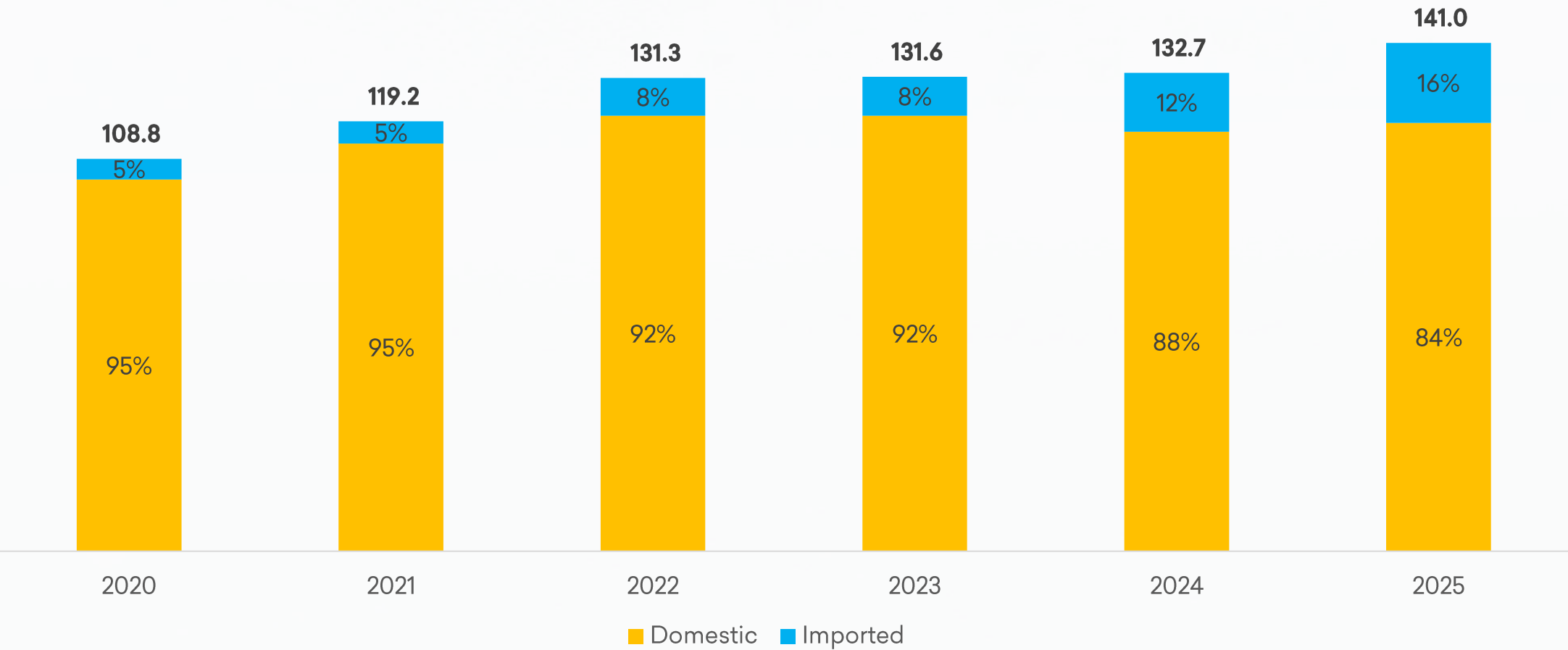


Source: Geostat, TBC Capital; Note: * - preliminary figures

Beer demand reached a record 141 mln liters in 2025, while imported brands continued to gain share despite the market remaining largely domestically supplied

Beer consumption in Georgia by origin

Million liters

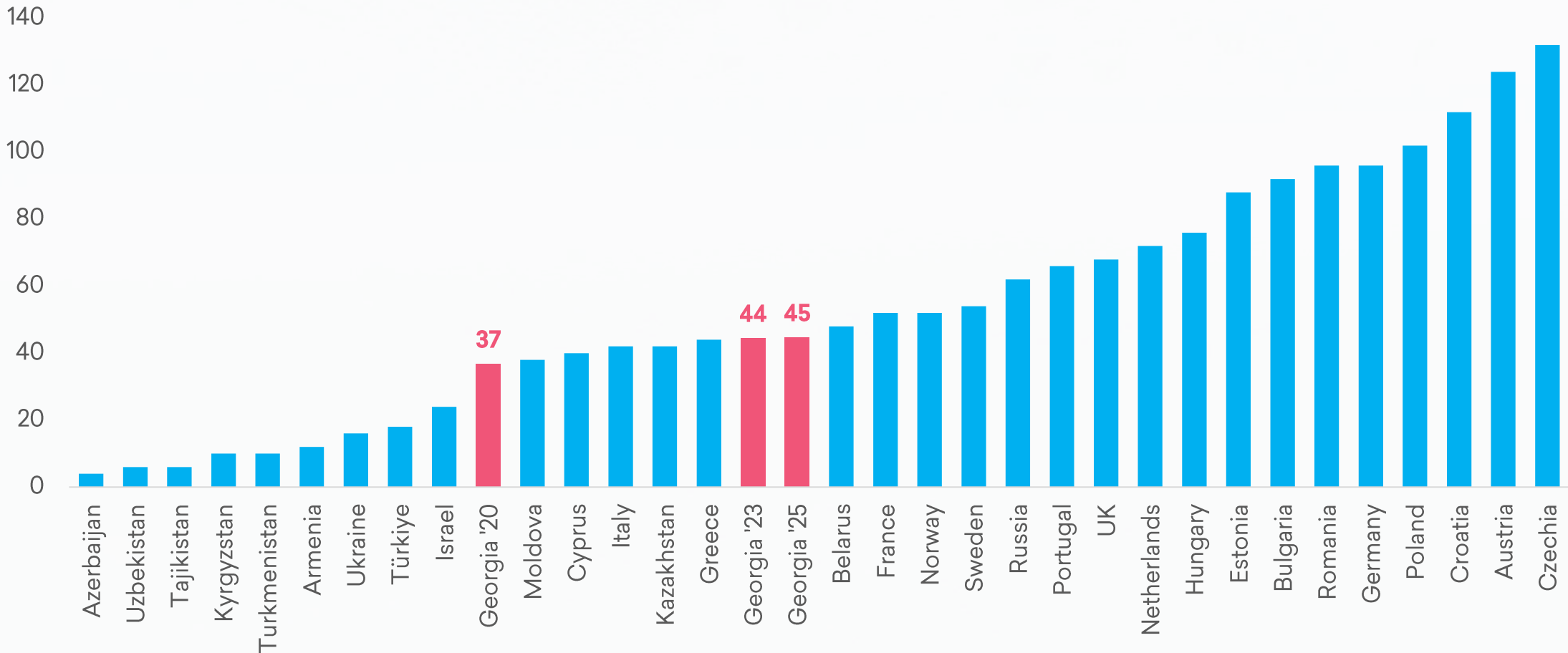


Source: Revenue Service, TBC Capital

Per capita beer consumption in Georgia rose by nearly 21% over the past five years

Beer consumption per Capita, population aged 15+, 2023

Liters per person per year

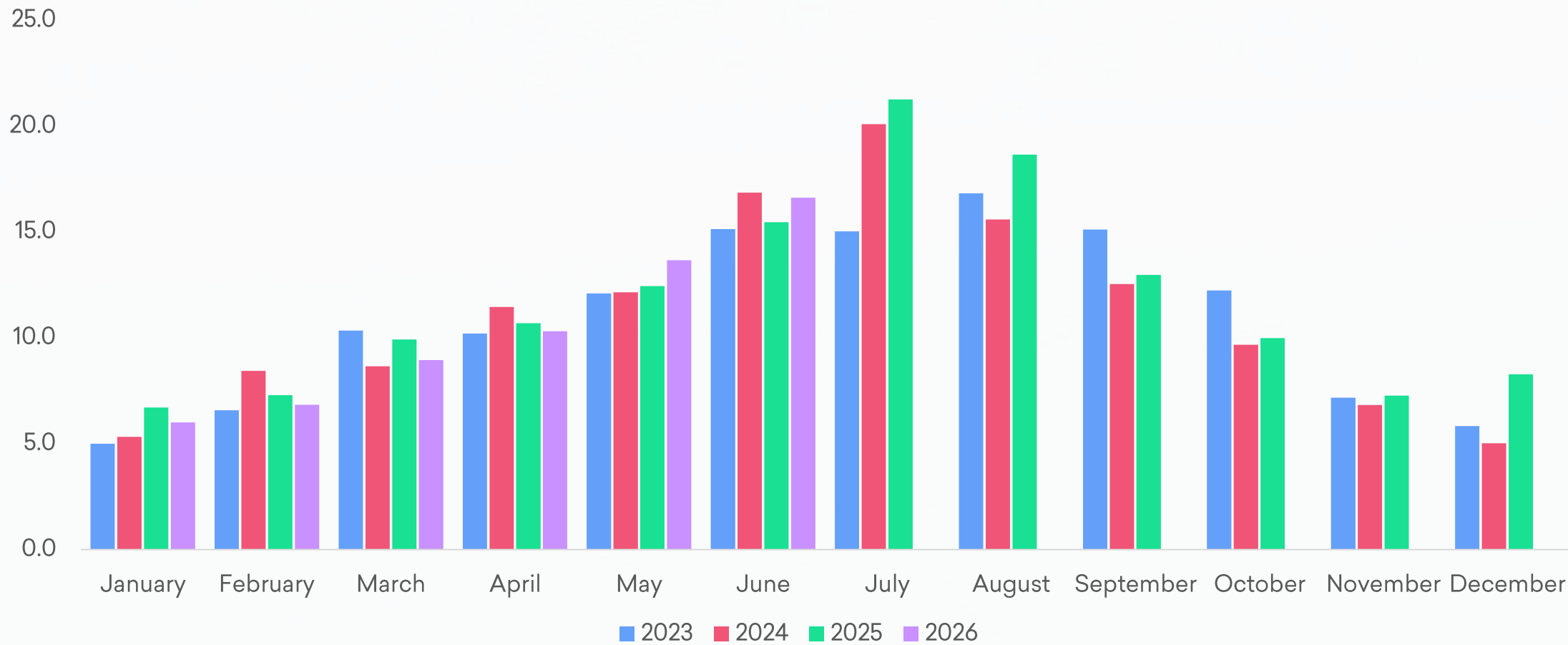


Source: WHO, Revenue Service, TBC Capital; Note: Assumes an average ABV of 5%.

Beer consumption is highly seasonal, peaking in summer, while major football events can provide an additional boost

Beer monthly consumption in Georgia

Million liters

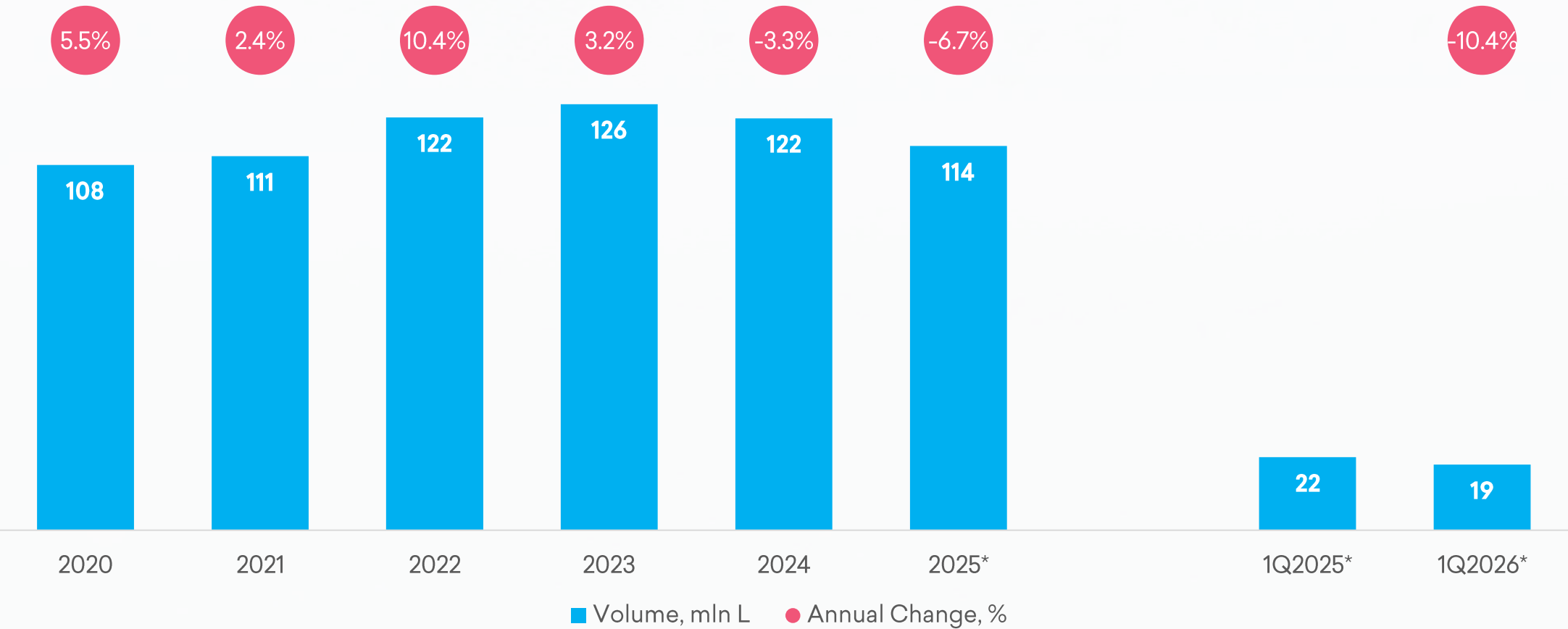


Source: Revenue Service, TBC Capital

Domestic beer production volume has declined over the two consecutive years, returning to 2021 levels, with the contraction continuing in 1Q'26

Domestic beer production in Georgia

Million liters

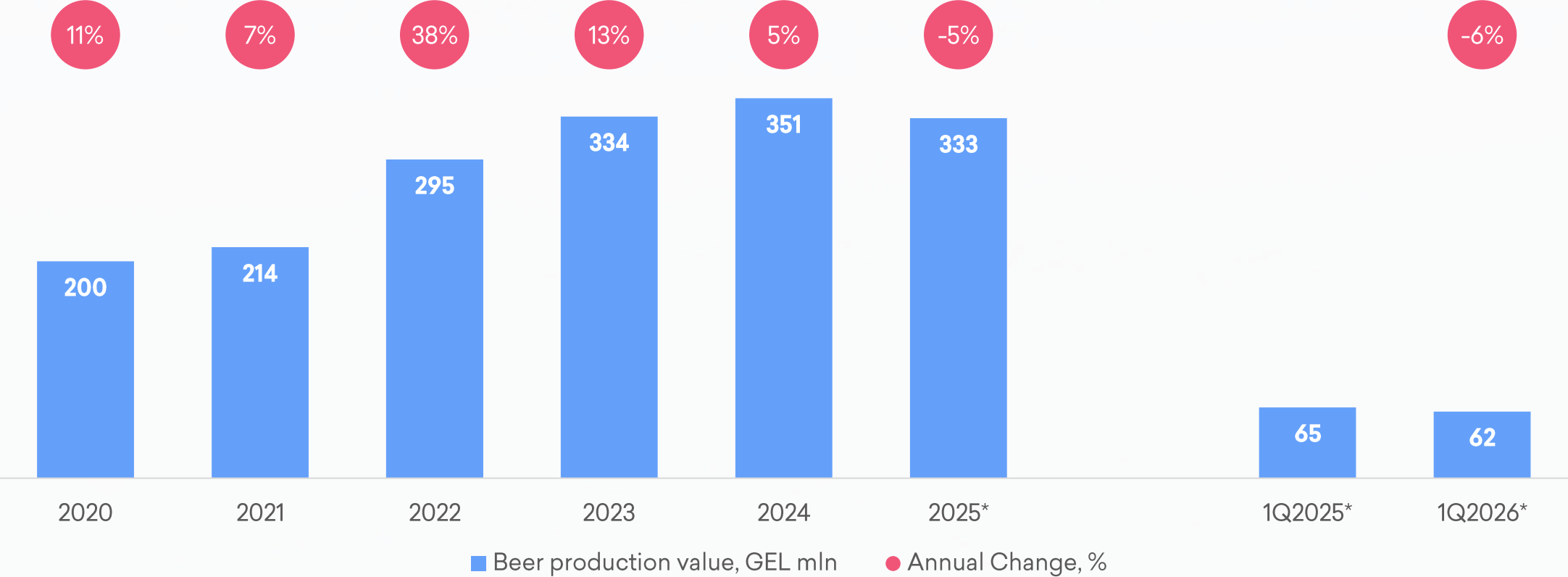


Source: Geostat, TBC Capital; Note: * - preliminary figures

Rising beer prices supported growth in domestic production value despite broadly stable volumes; however, production value declined by 5% in 2025, with the contraction continuing in 1Q'26

Value of domestic beer production in Georgia

GEL mln, excl. VAT and excise

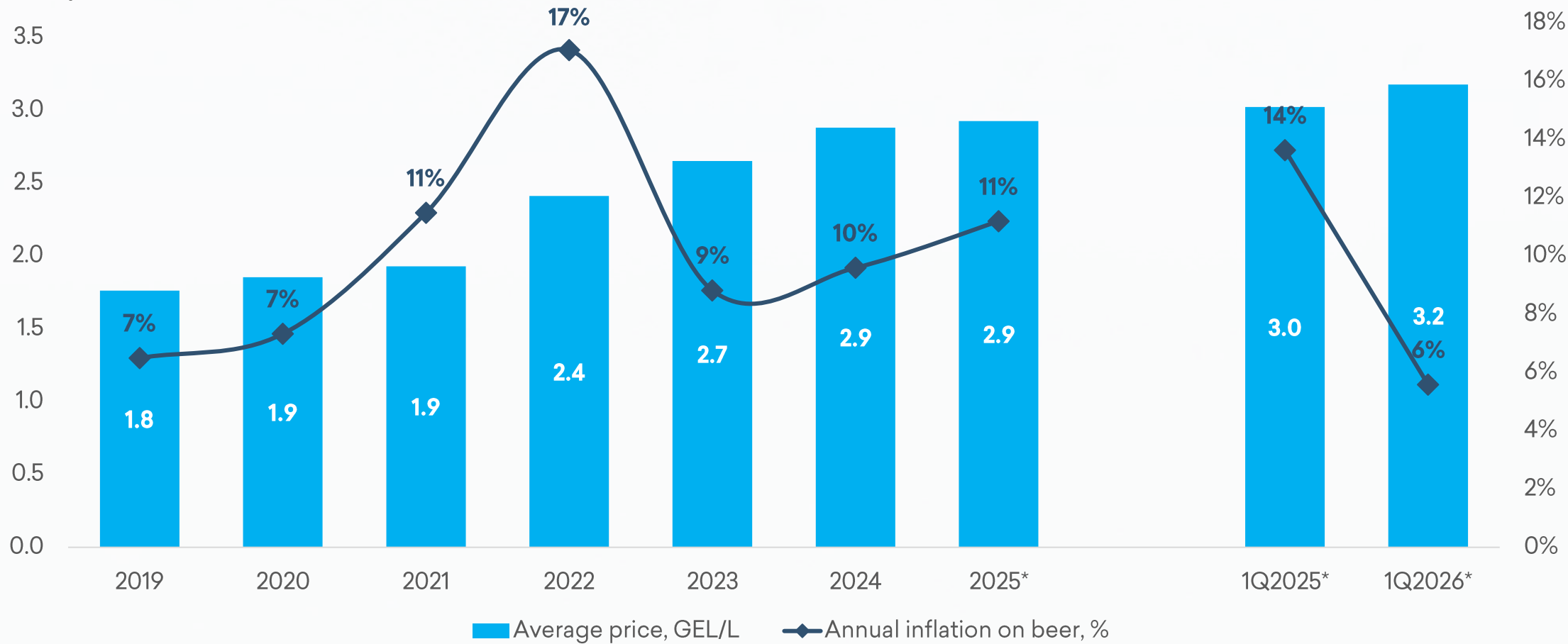


Source: Geostat, TBC Capital; Note: * - preliminary figures

Domestic beer producer prices have risen significantly, reaching GEL 3.2/L in 1Q'26

Domestic beer producer price and beer CPI inflation in Georgia

GEL per L, excl. VAT and excise

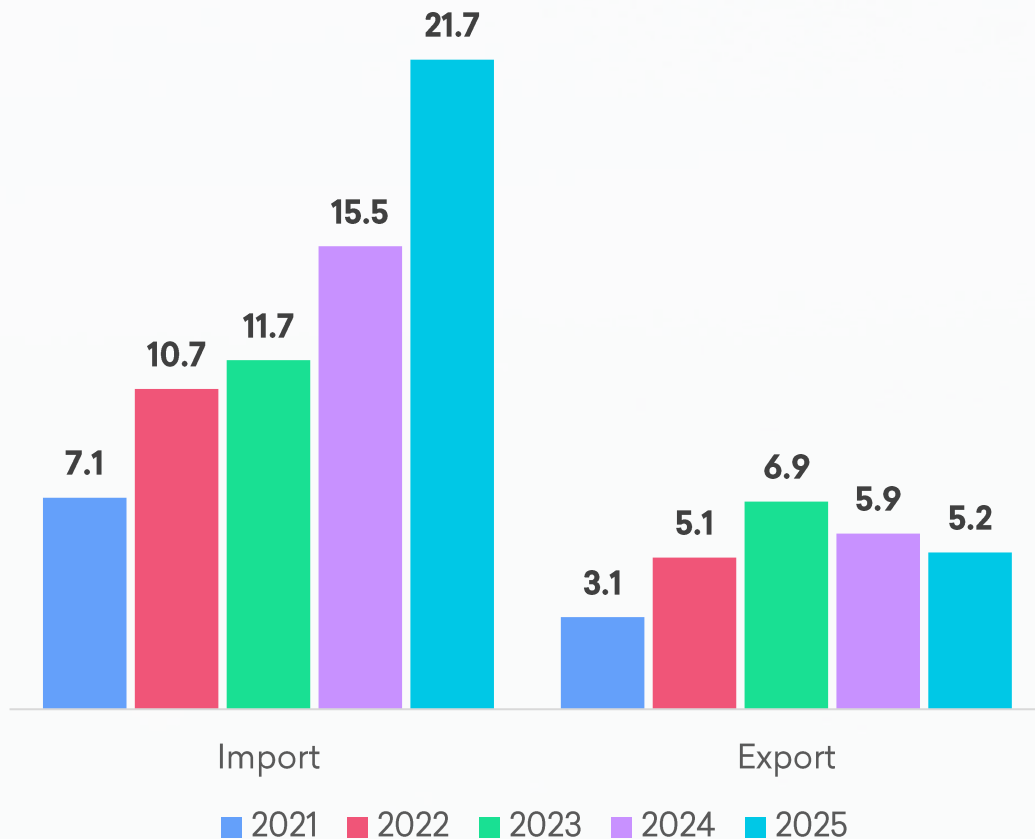


Source: Geostat, TBC Capital; Note: * - preliminary figures

Beer imports are on an upward trend, while exports have declined since 2023

Beer import and export volumes

‘000 tons



Top trading partners in 2025

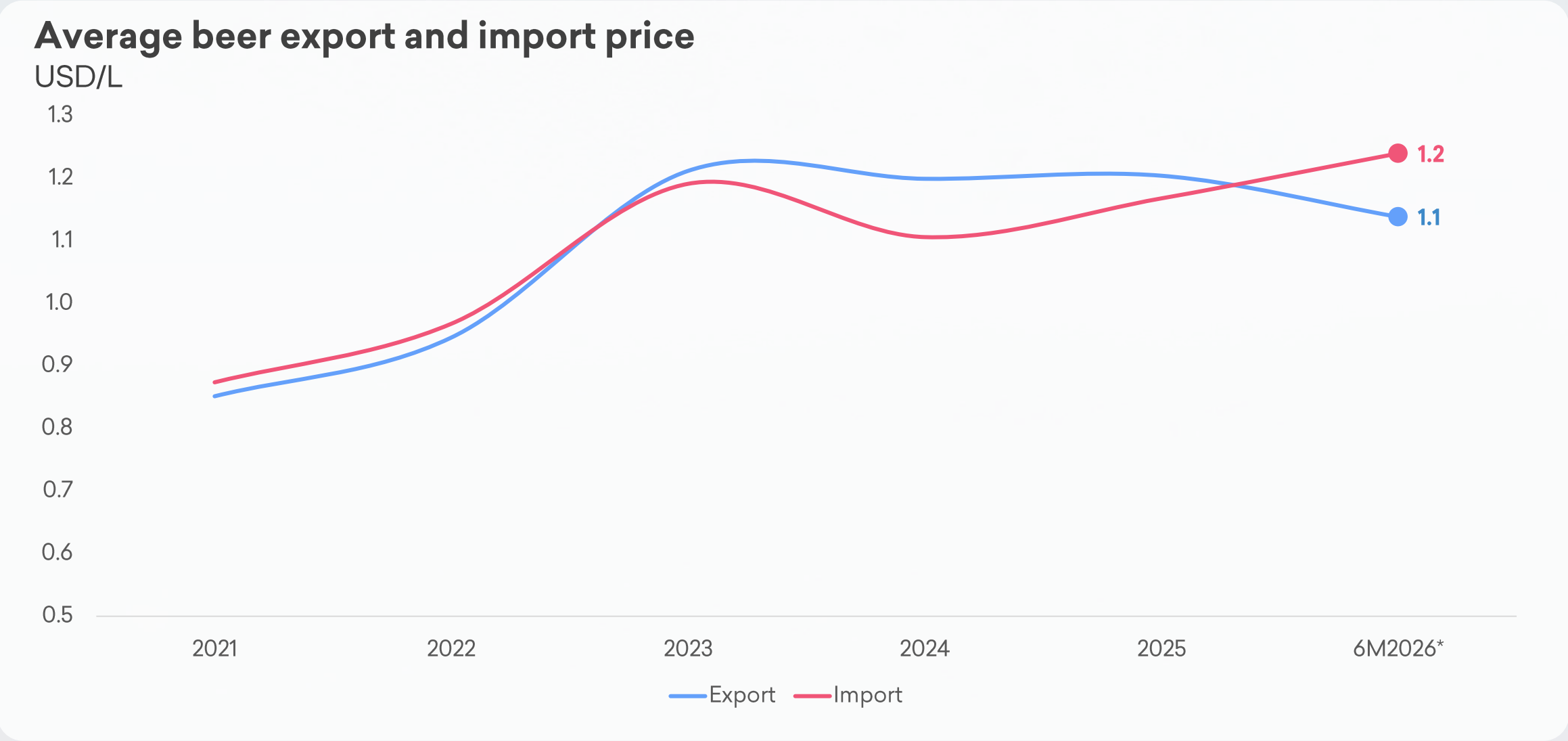
Import

Germany – 30%
Russia – 14%
Netherlands – 12%
Turkey – 8%
Ukraine – 7%

Export

Kazakhstan – 19%
Russia – 16%
Armenia – 15%
Israel – 10%
Azerbaijan – 5%

Beer export and import prices diverged since 2023, with the average import price exceeding the export price in 6M'26

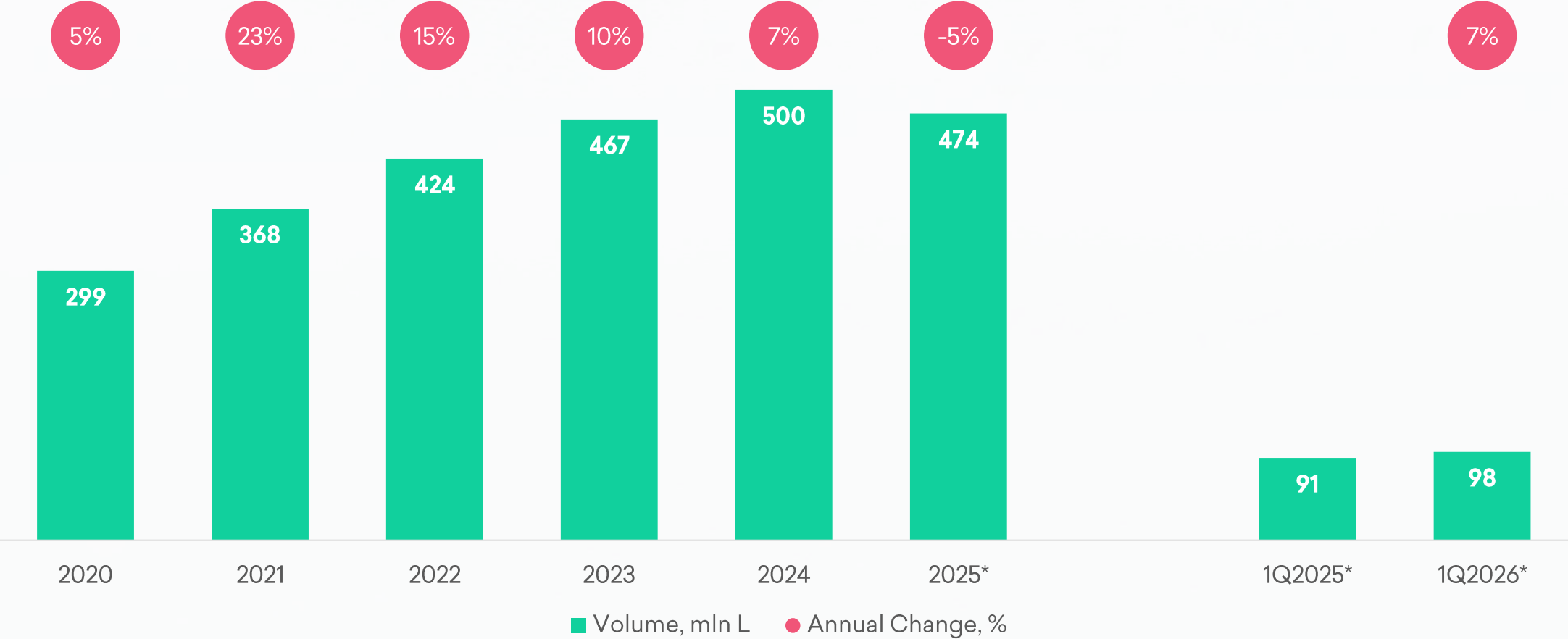


Source: Geostat, TBC Capital; Note: * - preliminary figures

Following strong post-pandemic growth, non-alcoholic beverage production declined by 5% in 2025, while 1Q'26 data points to a potential recovery

Domestic production volume of non-alcoholic beverages in Georgia

Million liters

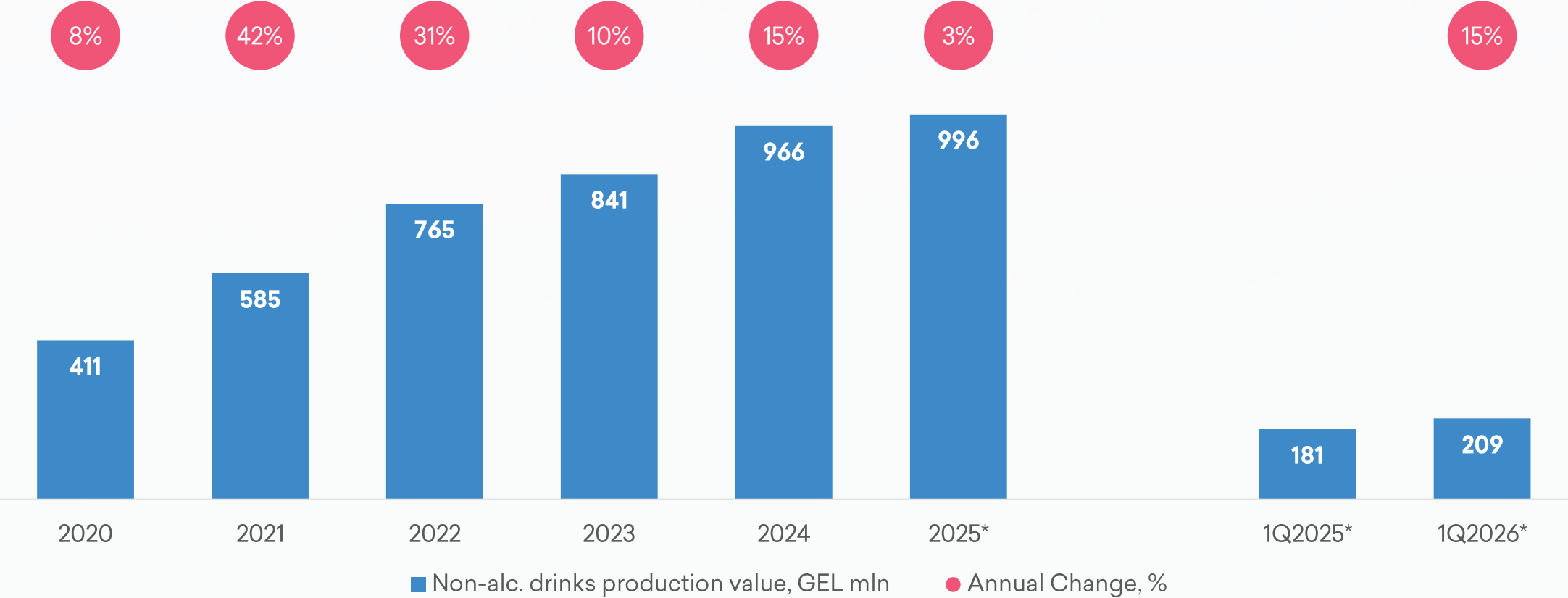


Source: Geostat, TBC Capital; Note: * - preliminary figures

Production value continued to rise despite lower volumes in 2025, reflecting higher average prices

Production value of non-alcoholic beverages in Georgia

GEL mln, excl. VAT and excise

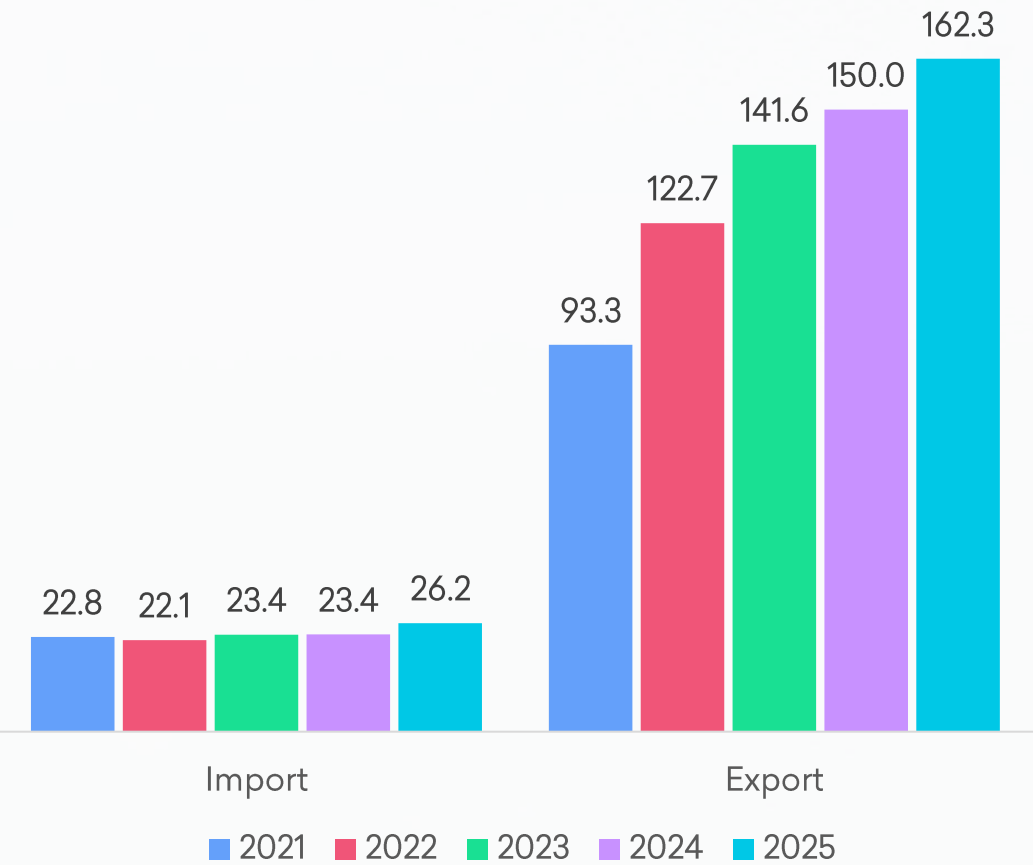


Source: Geostat, TBC Capital; Note: * - preliminary figures

Non-alcoholic beverage exports have grown strongly, reaching 162 mln liters in 2025, while imports remain broadly stable

External trade of non-alcoholic beverages

Million liters



Top trading partners in 2025

Import

- Russia – 19%
- Turkyie – 15%
- Poland – 15%
- Hungary – 9%
- Azerbaijan – 6%

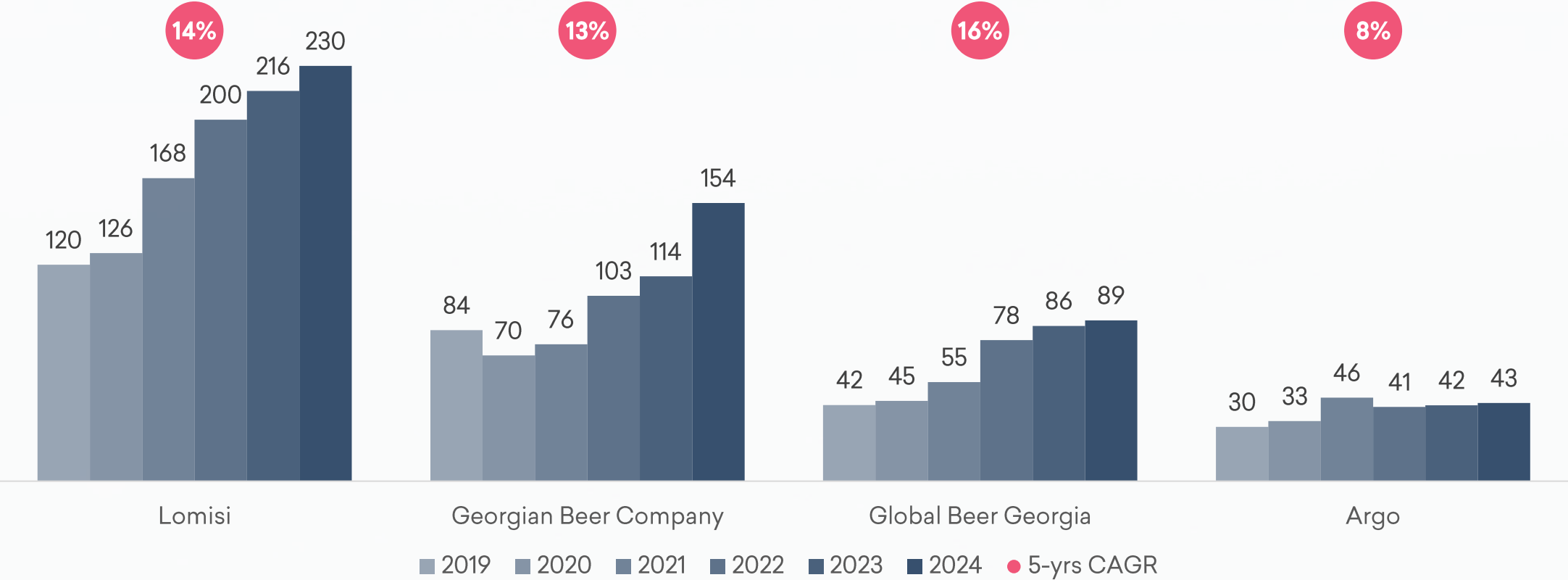
Export

- Russia – 36%
- Kazakhstan – 16%
- Azerbaijan – 15%
- Armenia – 11%
- Uzbekistan – 6%

The sector is concentrated among four major players, all delivering strong medium-term growth, with five-year CAGRs of 8-16%

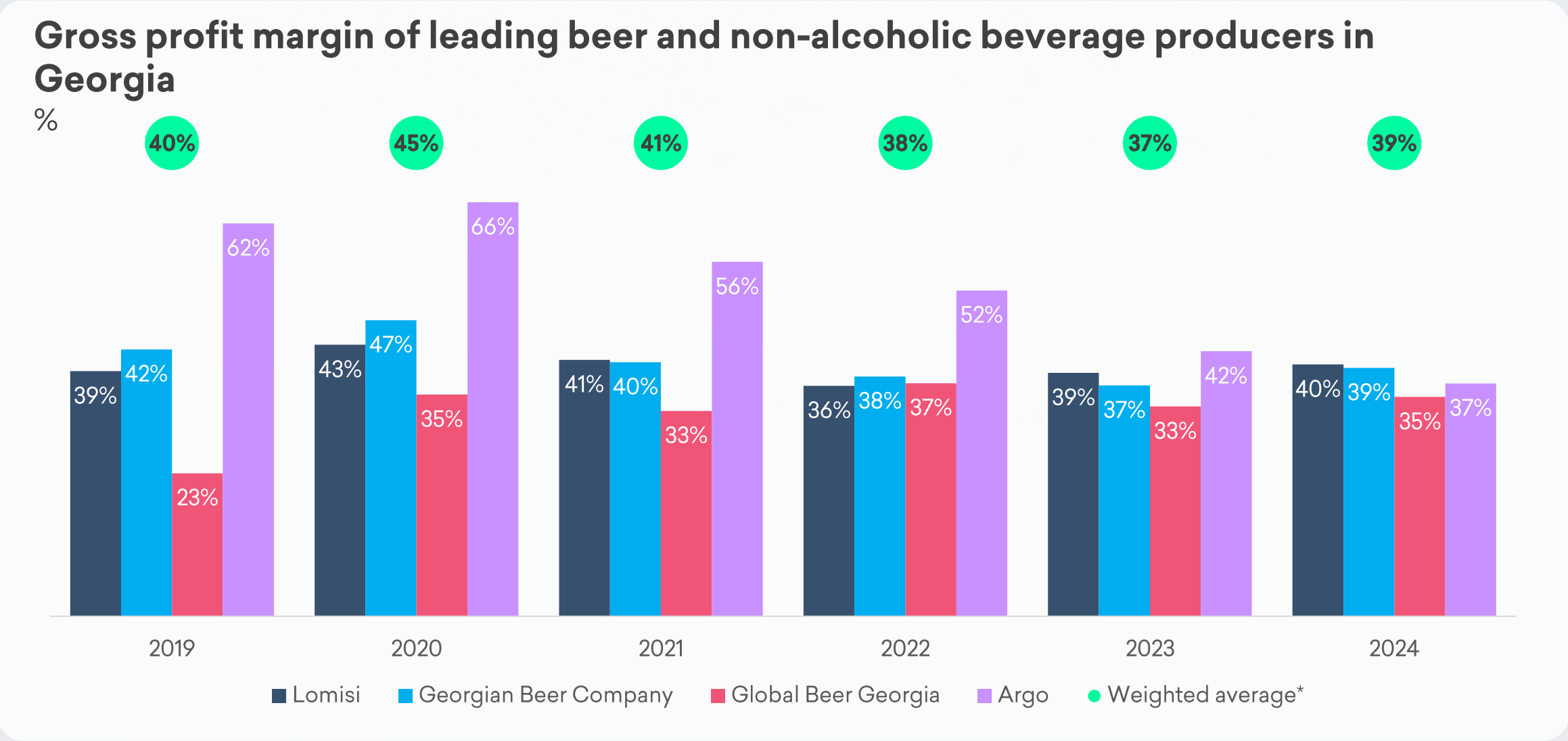
Revenue of leading beer and non-alcoholic beverage producers in Georgia

GEL mln, excl. VAT and excise



Source: SARAS, TBC Capital

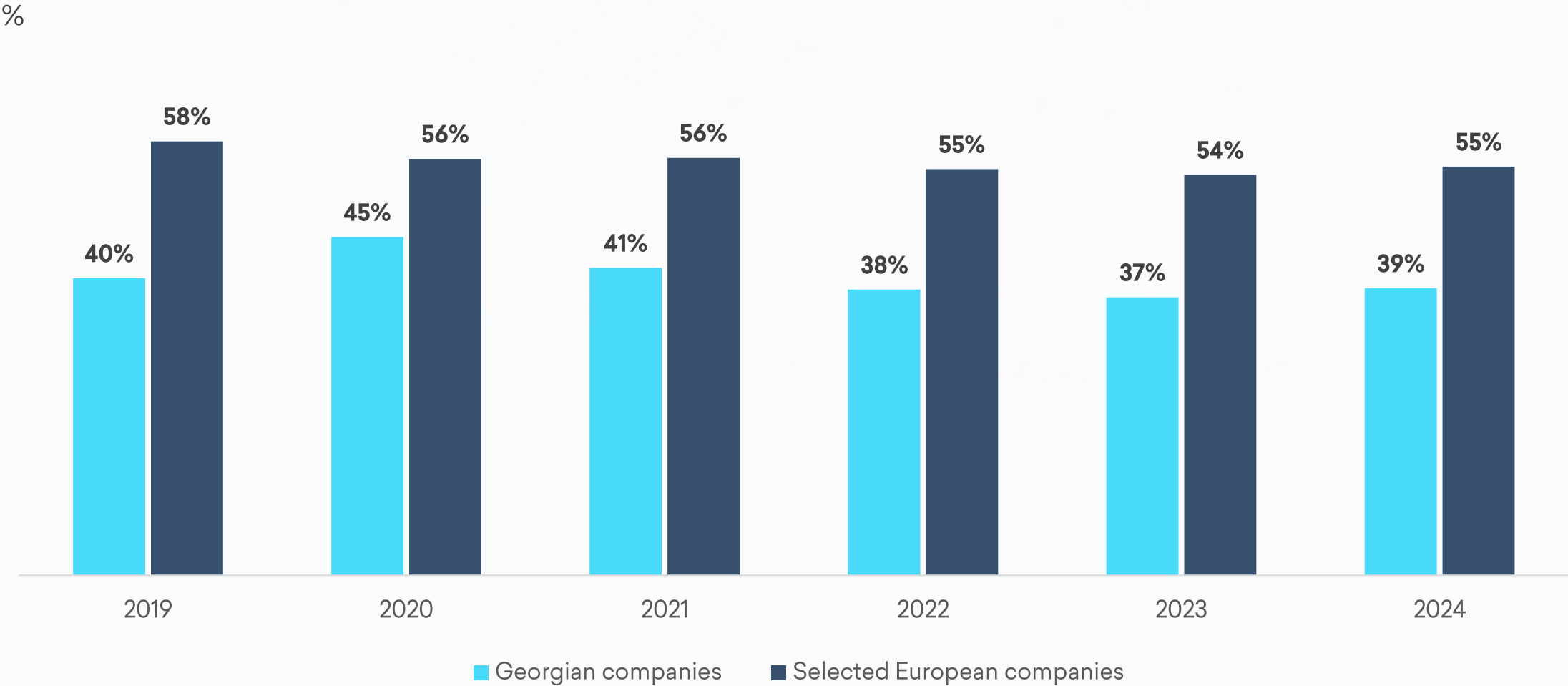
Sector gross margins compressed after 2020, with a modest recovery visible in 2024



Source: SARAS, TBC Capital; Note: * - Revenue-based weighted average

Despite structurally lower margins, Georgian producers have broadly tracked the profitability trend of European peers

Gross profit margins: Georgian vs. selected European beverage producers

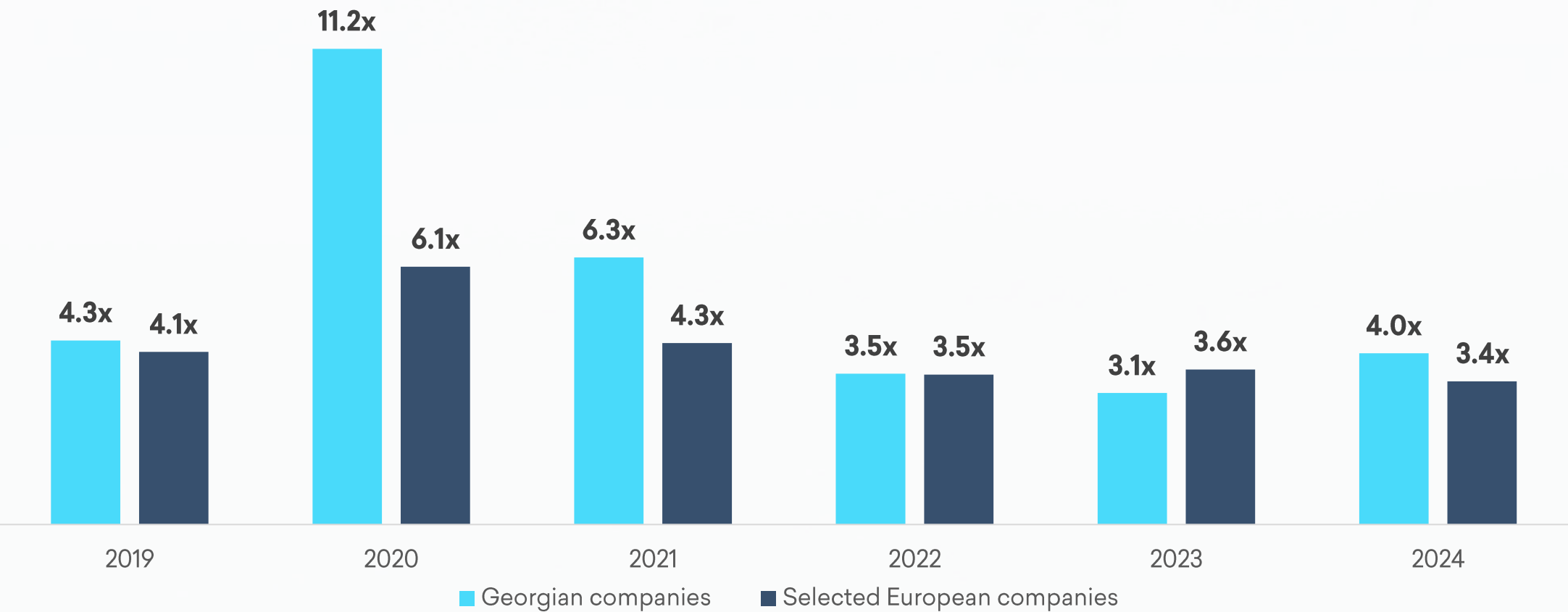


Source: SARAS, TBC Capital; Note: * - Revenue-based weighted average;
European companies include AB InBev (Budweiser, Corona), Carlsberg, Royal Unibrew (Royal, Heineken, PepsiCo), and Diageo (Guinness)



Georgian companies' leverage has remained broadly in line with European peers, apart from a one-off Debt/EBITDA spike in 2020

Weighted debt-to-EBITDA ratio of leading beverage producers
%

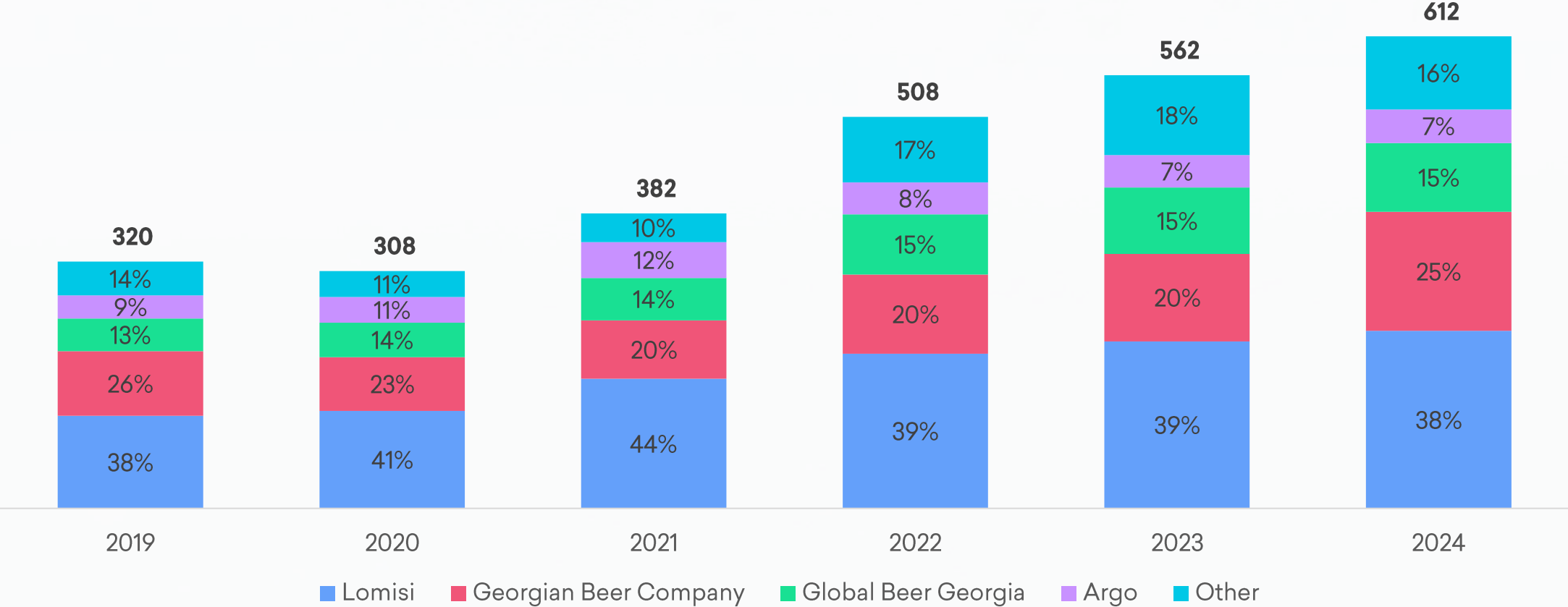


Source: SARAS, TBC Capital; Note: * - Revenue-based weighted average;
European companies include AB InBev (Budweiser, Corona), Carlsberg, Royal Unibrew (Royal, Heineken, PepsiCo), and Diageo (Guinness)

The four leading beer and non-alcoholic beverage producers account for c. 80% of sector turnover in Georgia

Company shares in beer producers' turnover

%; GEL mln



Source: SARAS, TBC Capital

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