



Tilray Brands Announces Next Phase of Beverage Transformation

Oct 29, 2026

Successfully Completed Consolidation of U.S. Brewing Footprint from 10 Facilities to Six

Identifying Further Opportunities to Reduce Complexity, Improve Brewery Utilization and Strengthen Margins

Transformation Initiatives Strengthen Operational Footprint Ahead of the Carlsberg U.S. Partnership Launching January 1, 2027; Targeting One Million Cases in First-Year Sales Through Tilray's Existing Production and Distribution Infrastructure

Reaffirms Fiscal 2027 Adjusted EBITDA Guidance of \$68 million to \$75 million

NEW YORK and LONDON and LEAMINGTON, Ontario, Oct. 29, 2026 (GLOBE NEWSWIRE) -- [Tilray Brands, Inc.](#) ("Tilray" or the "Company") (Nasdaq: TLRY; TSX: TLRY), a global lifestyle and consumer packaged goods company with leading positions across cannabis, beverage, hospitality and wellness, today announced additional initiatives across its U.S. beverage business, designed to reduce complexity and increase operational efficiency, targeting approximately \$20 million in annualized cost savings by the end of fiscal 2028. Having now consolidated its U.S. brewing footprint from 10 facilities to six, Tilray is well-positioned to enter the next phase of transformation of its U.S. beverage business, pursuing additional opportunities across manufacturing, warehousing, procurement and logistics to lower production costs and increase utilization at its remaining breweries.

"We have taken meaningful steps to simplify our U.S. beverage operations, reducing our brewing footprint while optimizing our brand portfolio," said **Irwin D. Simon, Chairman and Chief Executive Officer of Tilray Brands**. "Our next priority is to continue to reduce operational complexity through the consolidation of our distributor network, delivering improved margins and profit generation from our U.S. beverage operations. We are at the beginning of actioning these initiatives, and we anticipate they will flow through the broader business with the full impact anticipated in fiscal 2028. As such, we are reaffirming our fiscal 2027 Adjusted EBITDA guidance of \$68 million to \$75 million. With a more efficient cost structure and additional volume opportunities ahead, we expect these actions to drive margin expansion and stronger earnings across our U.S. beverage operations, while creating greater flexibility to reinvest in our brands, accelerate growth and deliver sustainable long-term shareholder value."

Tilray has built a global beverage platform representing approximately \$500 million in pro forma annual revenue, combining beloved consumer brands, state-of-the-art brewing infrastructure, experiential hospitality operations and extensive distribution capabilities. These transformational initiatives set the stage for the upcoming launch of Tilray's U.S. partnership with Carlsberg on January 1, 2027, which represents an additional opportunity to leverage this simplified infrastructure and further optimize our distribution network.

Progress to Date: Simplifying Operations and Strengthening the Foundation for Growth

Since January 2025, Tilray has undertaken a series of initiatives to streamline its U.S. beverage operations, reduce operating costs and improve capital efficiency to combat inflationary pressures and higher input costs. These efforts have focused on three key areas: consolidating its brewing and production infrastructure, optimizing its national distribution network and rationalizing its brand portfolio.

Brewery Network and Asset Optimization

Tilray has consolidated its U.S. brewing footprint from 10 facilities to six, transferring production to its remaining breweries to improve capacity utilization. Over the last two years, these initiatives have included the closure of Hop Valley's Eugene brewery, Redhook Brewlab and Revolver brewery, as well as the sale of the Atwater brand. During the second quarter of fiscal 2027, Tilray also transitioned Terrapin brewing production from Athens to other Tilray facilities while retaining the taproom, warehousing and repackaging operations at the Athens site.

National Distributor Consolidation

Since January 2025, Tilray has reduced its U.S. distributor network by approximately 9%, and the consolidation remains ongoing. Once completed, this initiative will enable the Company to concentrate its resources behind priority brands and core markets, strengthen distributor relationships and reduce the complexity and costs associated with managing a fragmented distribution network. We expect to substantially complete this plan through the end of fiscal 2028.

Strategic Portfolio Optimization

Tilray has rationalized its beverage portfolio to prioritize established regional brands, select national offerings and higher-potential growth categories, including non-alcoholic beverages and functional energy drinks. Since January 2025, the Company has reduced its SKU count by approximately 28%, eliminating duplicative, lower-margin, and slower-moving products. The reductions are intended to improve product mix, reduce operational complexity, and concentrate investment behind brands with stronger growth and profitability potential.

Looking Ahead: Additional Cost Savings and Future Growth Catalysts

Tilray has initiated an additional phase of transformation initiatives across its U.S. beverage business, designed to reduce complexity, counter cost headwinds and increase operational efficiency, targeting approximately \$20 million in annualized cost savings by the end of fiscal 2028.

Tilray's transformation plan includes the sale and monetization of several of its brewing and warehouse facilities that were made redundant in connection with the facility optimization plan designed to improve capacity utilization.

Tilray is reaffirming its fiscal 2027 Adjusted EBITDA guidance of \$68 million to \$75 million which already incorporates the anticipated benefits of cost reduction initiatives currently underway. As we advance additional operational efficiencies and cost savings initiatives, we expect these actions to create further opportunities for margin expansion and earnings growth beyond fiscal 2027. Given the anticipated timing of these initiatives, Tilray

expects the majority of the incremental benefits to be realized by the end of fiscal 2028.

Carlsberg Partnership to Accelerate U.S. Growth

On January 1, 2027, Tilray will launch its exclusive U.S. brewing and commercial partnership with Carlsberg, bringing Carlsberg, Carlsberg Elephant, 1664 and 1664 Blanc to its national beverage platform. Under this agreement, Tilray will leverage its existing brewing infrastructure, sales organization and distribution network to produce and commercialize Carlsberg's portfolio across the United States.

The partnership is targeting approximately one million cases in its first year, providing an opportunity to increase production volumes and improve capacity utilization across Tilray's existing brewing network. By leveraging its established infrastructure, Tilray expects to support this additional volume without a proportionate increase in fixed operating costs, creating opportunities for improved operating leverage and profitability.

Positioned to Drive Sustainable Earnings Growth

With a more efficient operating structure, additional initiatives to reduce complexity are underway and new volume opportunities through partnerships, such as Carlsberg, Tilray is focused on translating the scale of its global beverage platform into improved financial performance. By leveraging its existing infrastructure to support incremental volume while maintaining disciplined cost management, the Company is positioned to improve operating leverage, expand margins, and strengthen cash generation.

About Tilray Brands

Tilray Brands, Inc. ("Tilray") (Nasdaq: TLRY; TSX: TLRY), is a leading global lifestyle and consumer packaged goods company with operations in Canada, the United States, Europe, Australia and Latin America that is leading as a transformative force at the nexus of cannabis, beverage, wellness, and entertainment elevating lives through moments of connection. Tilray's mission is to be a leading premium lifestyle company with a house of brands and innovative products that inspire joy and create memorable experiences. Tilray's unprecedented platform supports over 40 brands in over 20 countries, including comprehensive cannabis offerings, hemp-based foods, and craft beverages.

For more information on how we are elevating lives through moments of connection, visit [Tilray.com](https://tilray.com) and follow @Tilray on all social platforms.

Cautionary Statement Concerning Forward-Looking Statements

Certain statements in this press release constitute forward-looking information or forward-looking statements (together, "forward-looking statements") under Canadian securities laws and within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be subject to the "safe harbor" created by those sections and other applicable laws. Forward-looking statements can be identified by words such as "forecast," "future," "should," "could," "enable," "potential," "contemplate," "believe," "anticipate," "estimate," "plan," "expect," "intend," "position," "may," "project," "will," "would" and the negative of these terms or similar expressions, although not all forward-looking statements contain these identifying words. Certain material factors, estimates, goals, projections, or assumptions were used in drawing the conclusions contained in the forward-looking statements throughout this communication.

Forward-looking statements include statements regarding our intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things: the Company's ability to become a leading lifestyle consumer packaged goods company; the Company's ability to become a leading beverage alcohol Company; the Company's ability to achieve long term profitability; the Company's ability to achieve operational scale, market share, distribution, profitability and revenue growth in particular business lines and markets; the Company's ability to successfully achieve revenue growth, margin and profitability improvements, production and supply chain efficiencies, synergies and cost savings; the Company's ability to achieve fiscal year 2027 financial guidance, including expected Adjusted EBITDA of \$68 to \$75 million and synergy optimizations; the anticipated launch, performance and renewal of the Carlsberg partnership; the expected benefits and timing of the Company's distributor consolidation, portfolio optimization and brewery network optimization initiatives, including the substantial completion of restructuring initiatives by the end of fiscal 2027; the completion of planned sales and monetization of closed facilities; the Company's expected revenue growth, sales volume, profitability, synergies and accretion related to any of its acquisitions; expected opportunities in the U.S., including upon U.S. federal cannabis legalization or rescheduling and the Company's ability to leverage its platform in connection therewith; the Company's ability to successfully leverage artificial intelligence strategies; the Company's anticipated investments and acquisitions, including in organic and strategic growth, partnership efforts, product offerings and other initiatives; and the Company's ability to commercialize new and innovative products.

Many factors could cause actual results, performance or achievement to be materially different from any forward-looking statements, and other risks and uncertainties not presently known to the Company or that the Company deems immaterial could also cause actual results or events to differ materially from those expressed in the forward-looking statements contained herein. For a more detailed discussion of these risks and other factors, see the most recently filed annual information form of the Company and the Annual Report on Form 10-K (and other periodic reports filed with the SEC) of the Company made with the SEC and available on EDGAR. The forward-looking statements included in this communication are made as of the date of this communication and the Company does not undertake any obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities laws.

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