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Tilray cuts its U.S. brewery network to six facilities

The restructuring closes three breweries and aims for $20 million in annual savings by fiscal 2028

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Tilray Brands has cut its U.S. brewing network from 10 facilities to six as it tries to reduce costs and improve profits in its beer business, according to American Craft Beer, which cited Brewbound in a report published on Monday, November 2.

The company, better known globally for cannabis, has built a significant position in American craft beer through acquisitions. Its beer portfolio includes brands such as SweetWater, Montauk, Blue Point and Breckenridge. The restructuring shows Tilray is now trying to run that collection of breweries with fewer production sites and a narrower operating structure.

According to the report, the changes include the closure of Hop Valley's brewery in Eugene, Oregon, Redhook Brewlab and Revolver's brewery. The restructuring also includes job cuts, though the report did not specify how many positions are being eliminated. Tilray is also selling the Atwater brand.

American Craft Beer reported that Terrapin's beer production has been moved out of Athens, Georgia. Its taproom, warehousing and repackaging operations are staying there, which means the site will continue to serve a reduced role even as brewing shifts elsewhere.

The company is also cutting slower-selling products and simplifying its distribution system. Tilray is targeting about $20 million in annual savings by the end of fiscal 2028, according to the report. That goal suggests the company sees excess capacity and operating complexity as a drag on margins.

The latest financial figures described in the report show why Tilray is under pressure to make its beer operations more efficient. In its most recent quarter, the company posted $257.1 million in revenue, up 23% from a year earlier, while recording a net loss of $40 million. Its beverage revenue rose 82% to $101.5 million.

That increase in beverage sales, however, does not appear to reflect broad-based growth across Tilray's existing beer brands alone. American Craft Beer said the jump was tied to the company's BrewDog acquisition, which means the headline revenue growth should not automatically be read as a sign that demand for its older beer labels is accelerating at the same pace.

The production cuts appear aimed at getting more volume through fewer breweries. That can lower fixed costs, reduce duplication and make it easier to manage inventories and logistics. It can also allow a company to focus marketing and

distribution on brands with stronger sales while pulling back from products that are not moving as quickly.

Tilray is also looking outside its existing craft portfolio to help use its remaining capacity. American Craft Beer said the company’s U.S. brewing and commercial partnership with Carlsberg is scheduled to begin on January 1, 2027, with a target of about one million cases in 2027. If that volume materializes, it could help offset some of the pressure created by slower growth or weaker performance in parts of the craft segment.

The company has kept its fiscal 2027 adjusted EBITDA forecast unchanged, according to the report. That suggests management still expects the broader business to meet its earnings outlook even as it closes sites, trims products and cuts staff in the beer unit.

For the beverage industry, Tilray’s move is a sign of the pressure many alcohol producers face as they try to protect profitability in a market where scale alone does not guarantee stronger earnings. Large portfolios built through acquisitions can bring broader distribution and more brands, but they can also create overlapping breweries, higher overhead and more complicated supply chains. Tilray’s decision to close facilities, narrow its lineup and simplify distribution may add to concerns across beer and other beverage categories that companies will keep reworking production footprints when demand is uneven and costs remain hard to absorb.

The closures also show that ownership by a larger corporate group does not insulate breweries from rationalization. Brands can remain in the market even after brewing is moved elsewhere, but the impact on local employment and brewing identity can be significant when production leaves a city that had served as a brand’s home base.

Tilray has not presented this restructuring, in the report cited by American Craft Beer, as a retreat from beer altogether. Instead, the steps point to a tighter strategy built around fewer facilities, fewer slower-selling products and a stronger focus on operating returns as the company prepares for its Carlsberg partnership in 2027.