

For the Love of Beer

“An ice-cold Mahou I would describe as my staple, but some of our partner brewers’ beers like Avery’s coconut porter I also have a taste for at the moment. That’s the good thing about our portfolio, it allows me to explore lots of different varieties.”

Erik d’Auchamp unashamedly loves beer.

Born in Brazil, the Dane started his career at national favourite Carlsberg in 2000 and has since moved to the USA, Spain, India, and back to Spain, where he now assumes the role of Managing Director of Mahou San Miguel’s International Business Unit.

“I have fallen in love with the category, whether it be beer, non-alcoholic beer or water which we also work in,” d’Auchamp continues. “We have seen so many different styles and flavours introduced over the past two years – beer today is not what it was 20 years ago.



Mahou San Miguel's Erik d'Auchamp

Mahou San Miguel’s Erik d’Auchamp is a self-confessed beer geek. Starting at home with global giant Carlsberg, the Dane has travelled the world and is now spearheading the Spanish brewer’s international growth

Writer: Tom Wadlow

“It has become far more accessible and sophisticated. Some of the barrel-aged products we are seeing currently I didn’t think were possible two decades ago. In some cases beer is competing with spirits, offering flavours that remind you of the drinks that used to be made in those barrels, like rum or whisky.”

Against the grain

D’Auchamp not only works in an industry he holds a deep-rooted passion for, but one which his employer is currently thriving in.

Mahou San Miguel enjoyed a record-breaking year, bucking the trend of the wider market.

In 2017 the brewer turned over €1.26 billion, equating to 16.6 million hectolitres of product made.

Around 13 percent of business is generated by sales from d’Auchamp’s international unit, while in home nation Spain, the Company enjoys a 34 percent market share.

“It has been a positive year,” he says. “As a Group we produced and

sold more than ever. We are still leading the category here in Spain and our sales internationally are on track with where we want them to be, especially in the UK where we grew by nine percent in terms of volumes.”

Mahou San Miguel plays an important role both economically and socially to Spain, contributing 3,500 hours of voluntary work last year and channelling €2.1 million into social causes. The firm also uses 92 percent Spanish suppliers.

On top of this, last year saw 235 new hires, taking total employment up to 3,200, while nearly €2 million was spent on recruiting, retaining and developing talent.

The Company’s success also enabled it to invest €4 million in environmental programmes in 2017, leading to a 1.92 percent reduction in water use, 4.6 percent energy saving and zero waste footprint across the year despite increasing production levels.

Widening the spectrum

Mahou San Miguel’s success is all the more impressive given it comes against the backdrop of a fairly flat European beer market in terms of growth.



This pattern of declining consumption is leading brewers to innovate new products to suit a broader range of tastes and occasions.

“One trend we are watching very closely and acting on is the premiumisation of well-known brands,” d’Auchamp says. “For example, we have introduced Mahou barrel-aged brands and launched San Miguel Selecta. In Europe, premium craft beers are also doing well and in some markets, depending on the country you look at, are growing in double digits.”

While premium offerings containing a higher percentage of alcohol are becoming more mainstream, so too are products at the other end of the spectrum in the form of non-alcoholic beers.

The past year has seen a tremendous uptick in the visibility of low alcohol-

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and alcohol-free beer, with all the major brewers extending their ranges or branching out into the category for the first time.

“This has taken off in Europe,” says d’Auchamp. “We are market leaders in this category in Spain and are also in the UK with San Miguel o.o. In India, we are importing both San Miguel and Mahou non-alcoholic beers and are also exporting these to the Middle East. It is certainly a busy category.”

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Last year saw Mahou San Miguel invest more than €20 million into non-alcoholic and other R&D projects – four new products were launched in 2017 and 3.8 percent of total sales were attributable to innovation.



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Earlier this year the Spanish firm also acquired 30 percent of Avery Brewing, another American artisan business. D’Auchamp adds: “This is a great team out in Boulder, Colorado. It is one of many agreements we have struck in 2018, be it partnerships like Avery or distribution agreements like the one we have agreed with German family-

owned business Warsteiner, who will distribute for us in Germany.”

The southern half of the Americas is another key strategic target, the Company eager to explore opportunities in new markets over the next year or so.

Having solidified its presence closer to home in the likes of the UK and

continental Europe, the New World is where d’Auchamp’s lens lies. He concludes: “We hope to become a lot more international than we are now, and we want to do that by expanding more into craft.



“Latin America holds a lot of potential for us, and we are looking at a Chilean import company that is opening up a lot of space in that market. We hope to use this opportunity as a learning base for growth across the whole continent.”

Into the New World

Mahou San Miguel’s investment in new ideas has evolved in tandem with exploration into new markets via partnerships and acquisitions.

While the UK remains d’Auchamp’s most significant source of international revenue, boosted by a bumper summer of sport and hot weather, a number of forays into other territories are bearing fruit.

Carlsberg is an important distribution partner in the UK, and this year the two signed another deal involving the distribution of the Danish brand in the Canary Islands.

In America, Mahou San Miguel is building on a successful partnership with craft brewery Founders, which it bought a 30 percent stake in at the end of 2017.

The rise of Oktoberfest

Although the general trend in Europe is showing a slowdown in beer consumption, events such as Oktoberfest are more popular than ever.

Munich, spiritual home of the festival, has been hosting the event since 1810 and in 2016 saw more than six million visitors drink 6.6 million litres of beer between them.

Oktoberfest has steadily been welcomed into the calendars of many places all around the world, with pop-up marquees, lederhosen and bratwurst taking over cities for days, even whole weeks in some areas.

Norwich, in the East of England, is one city to have embraced the German tradition, using the proceeds to fund programmes for disadvantaged young people in the area. This year’s event is hoping to top the £10,000 raised for local causes in 2017.

