

COVID-19

ON PREMISE IMPACT REPORT

CGA, June 03 2021



Yes, we are
OPEN





INTRODUCTION

CGA's sole focus is to measure, understand and consult on the On Premise channel. In these testing times, this has never been more important. We have conducted research in response to topics you, our valued client base, raised as important and shall continue to undertake studies on which topics are of the utmost concern.

In this Issue we are evaluating the impact on velocity in the On Premise. Understanding the different dynamics across states as the situation diverges and evolves, and impact that this has on On Premise trends.

This report will cover On Premise sales trends from our BeverageTrak dataset up to week ending May 29 2021.

SUMMARY

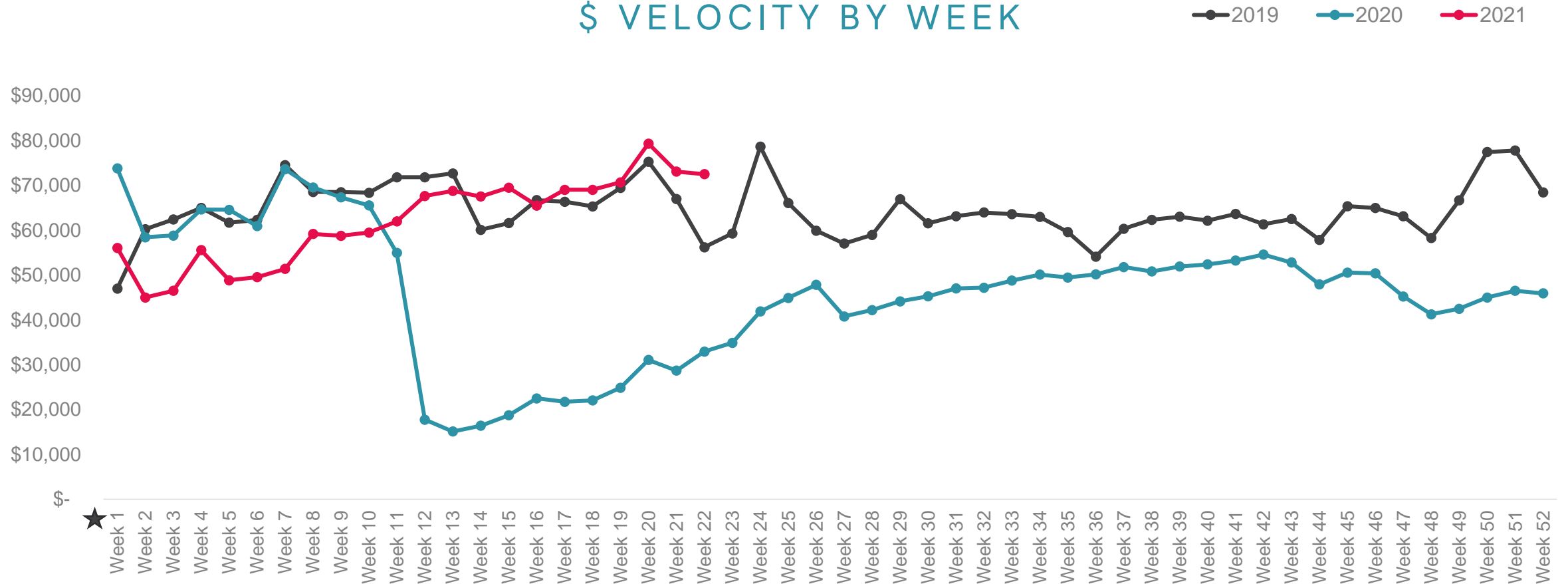
- Across the US, 98% of states have Bars open indoors (either completely, or with capacity measures in place) and 100% of states have Restaurants open indoors to some capacity.
- On Premise velocity in outlets currently trading is +120% higher than the same time last year in the week to May 29. The comparable week last year (to May 30 2020), while in recovery compared to the height of restrictions, was still lower than the same week in 2019.
- Across all states, value velocity remains strongly positive compared to last year and comparable to, if not ahead of, velocities in 2019.
- Average outlet \$ sales (velocity) trends are slightly negative (-1%) in the latest week (May 29 v May 22) across the average US outlet.
- New York is down by -4% on the previous week, with trends being driven by NYC (-5%). New York is also of the best states benchmarked against last year (+238%) with more restrictions having being lifted in recent weeks.
- Key market performance varies across Florida, driven by Miami (-7%), while Orlando remains flat (0%), Tampa slightly negative (-1%), and the rest of the state in decline (-3%), resulting in an overall -4% decline for the state.
- While there is strong growth in San Diego (+15%), San Francisco (+10%) and Los Angeles (+6%), flat trends in the rest of California result in the state experiencing only +2% growth, though this is the most positive of the key states for the latest week.
- Illinois performs best benchmarked against last year (+277%), likely due to Covid-19 restrictions in May 2020 being stricter than most. It is the only other state besides California with positive week-on-week trends (+1%), driven by Chicago (+2%).
- Negative trends in Austin (-8%) drive overall performance in Texas (-3%) , while Dallas (-4%), Houston (0%) and the rest of Texas (-2%) are flat/slightly negative.
- All Key states experienced negative trends on Sunday May 16 due to Mother's Day falling on the previous Sunday. Over the past week trends have been generally flat or slightly positive across the majority of states.



TOTAL US MARKET SALES: RECAP

On Premise velocity in outlets currently trading is +120% higher than the same time last year in the week to May 29, and is above that of the same week in 2019. The comparable week last year (to May 30 2020) was starting to recover as Covid-19 restrictions gradually eased, although it was still some way behind 2019.

\$ VELOCITY BY WEEK



★ Exact dates can be found in the appendix



OPENING STAGES: BARS

% OF STATES IN STAGE

STAGE 1: Completely Open
(Example: Florida)

38%

STAGE 2: Open but with capacity
measures in place (Example:
Delaware)

60%

STAGE 3: Outdoor Only Open
(Example: California)

2%

STAGE 4: Closed - Delivery Only

0%

**State breakdown included in appendix*



OPENING STAGES: RESTAURANTS

% OF STATES IN STAGE

STAGE 1: Completely Open
(Example: Florida)

44%

STAGE 2: Open but with capacity
measures in place (Example:
Delaware)

56%

STAGE 3: Outdoor Only Open

0%

STAGE 4: Closed – Delivery Only

0%

**State breakdown included in appendix*

SOURCE: FODORS.COM

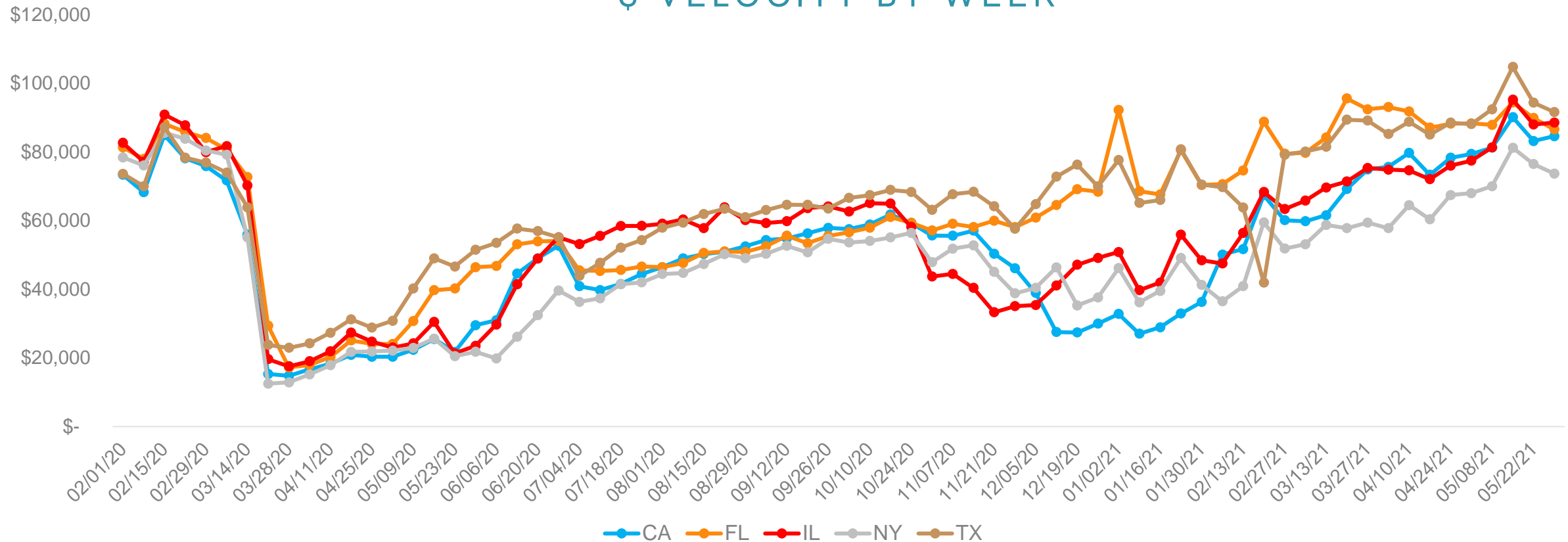


KEY STATE MARKET SALES: RECAP

Across all states, value velocity is up compared to last year and comparable to, if not ahead of, velocities at the start of 2019.

While the key states all have comparable value velocities to each other in the week up to May 29, Illinois and New York are experiencing the greatest trends vs last likely year due to stricter restrictions at the time.

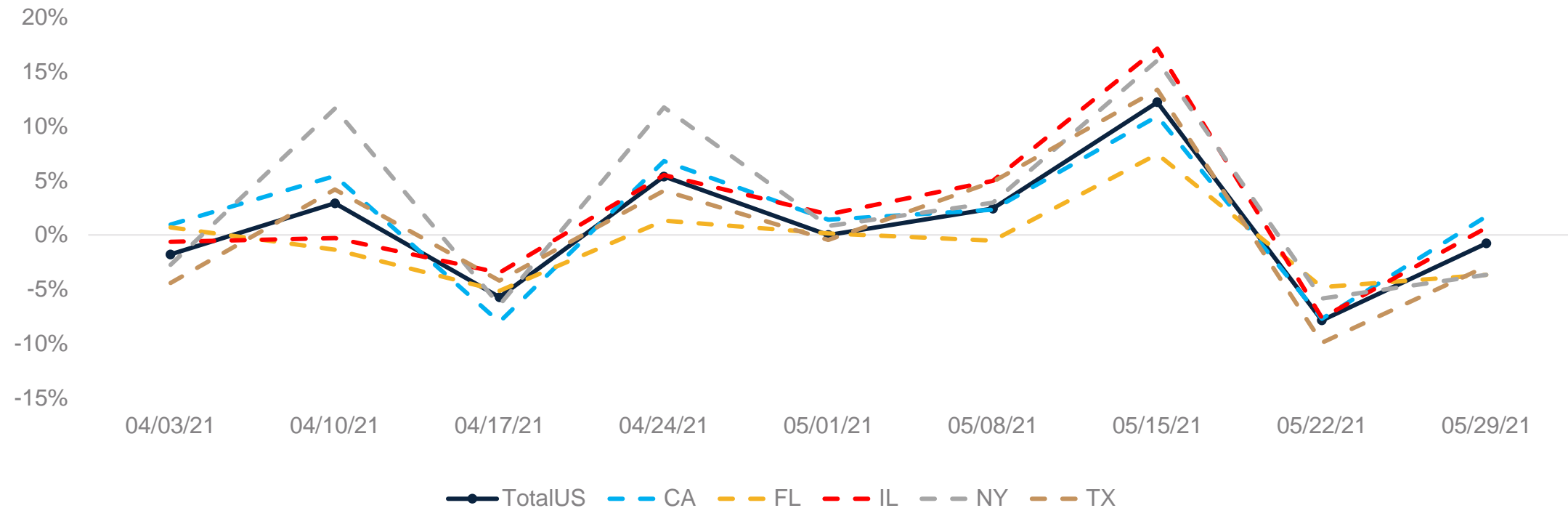
\$ VELOCITY BY WEEK



TOTAL MARKET SALES

All states had negative trends in the week to May 22 due to the previous week containing Mother's Day. California and Illinois experience slightly positive trends in the latest week (to May 29).

\$ VELOCITY % CHG - WEEK ON WEEK



NEW YORK STATE

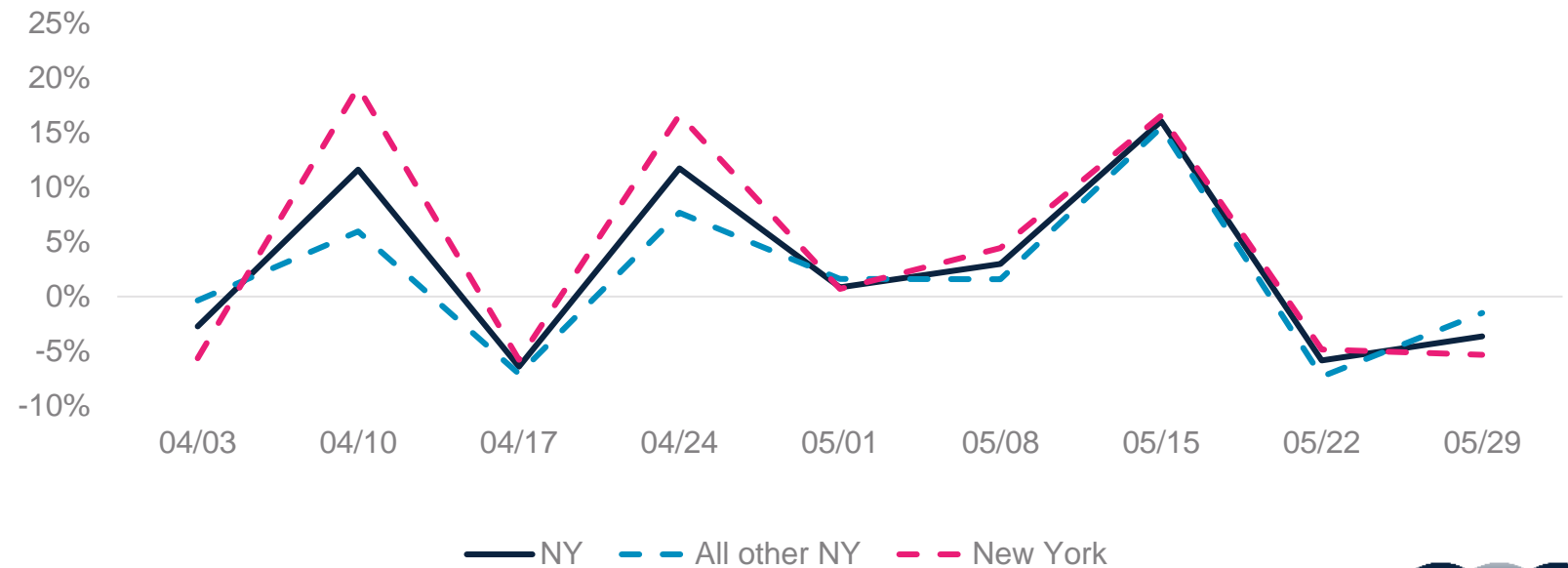
+238%

v May 30 2020

-4%

v May 22 2021

\$ VELOCITY % CHG - WEEK ON WEEK



ILLINOIS

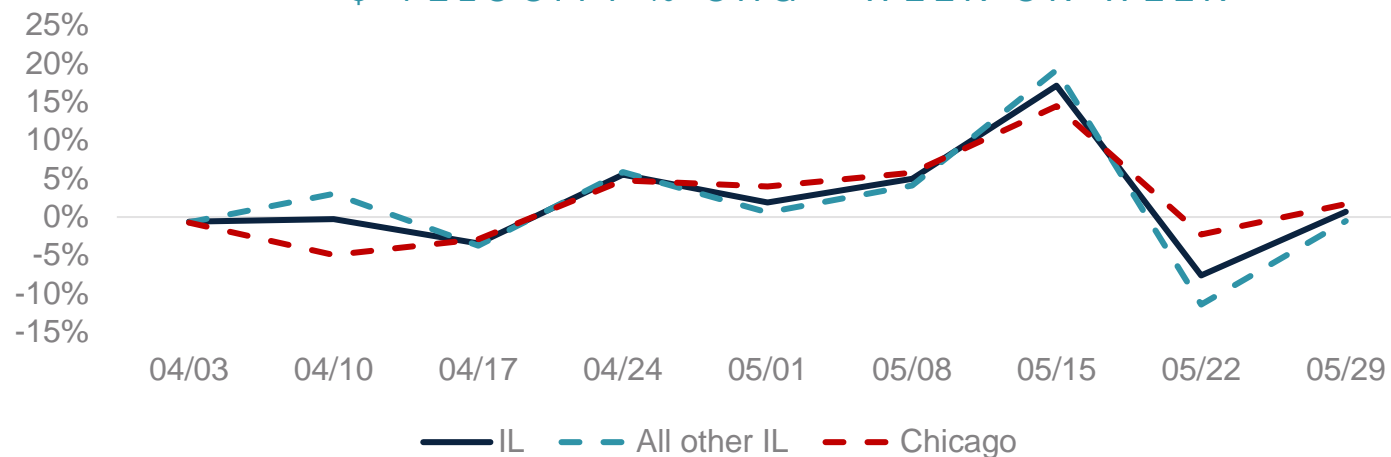
+277%

v May 30 2020

+1%

v May 22 2021

\$ VELOCITY % CHG - WEEK ON WEEK



CALIFORNIA

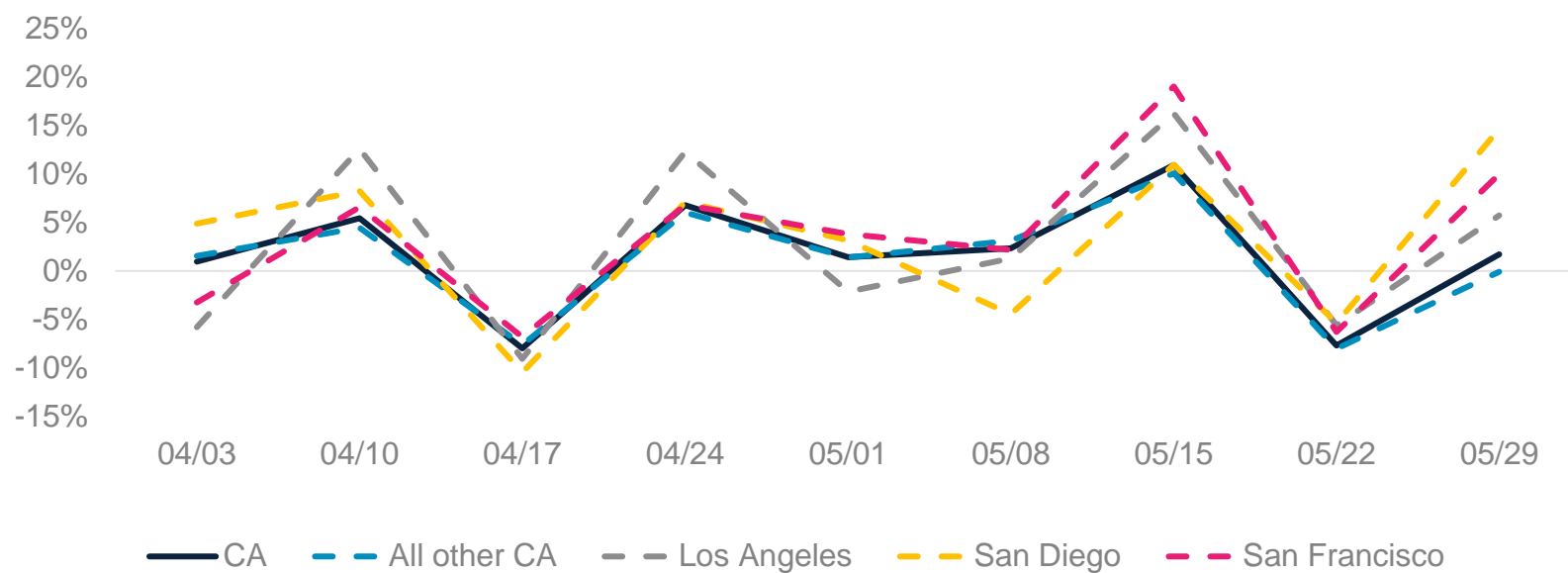
+186%

v May 30 2020

+2%

v May 22 2021

\$ VELOCITY % CHG - WEEK ON WEEK





TEXAS

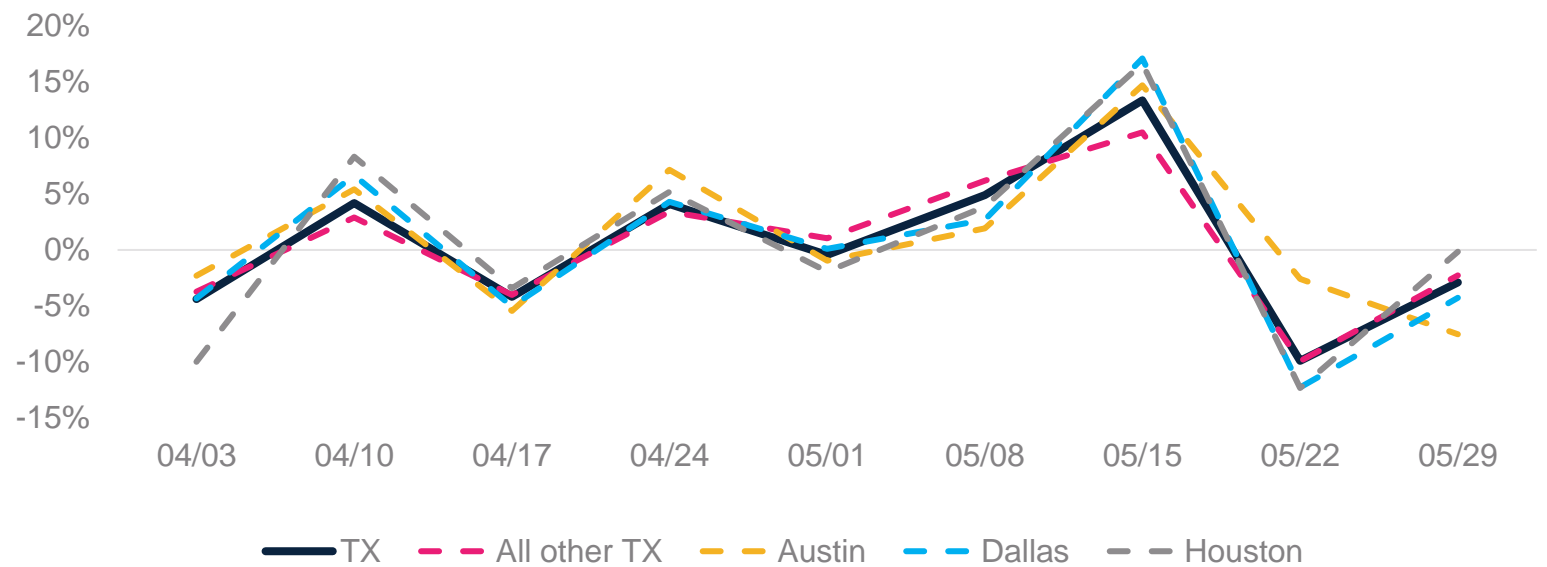
+78%

v May 30 2020

-3%

v May 22 2021

\$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: BEVERAGETRAK



FLORIDA

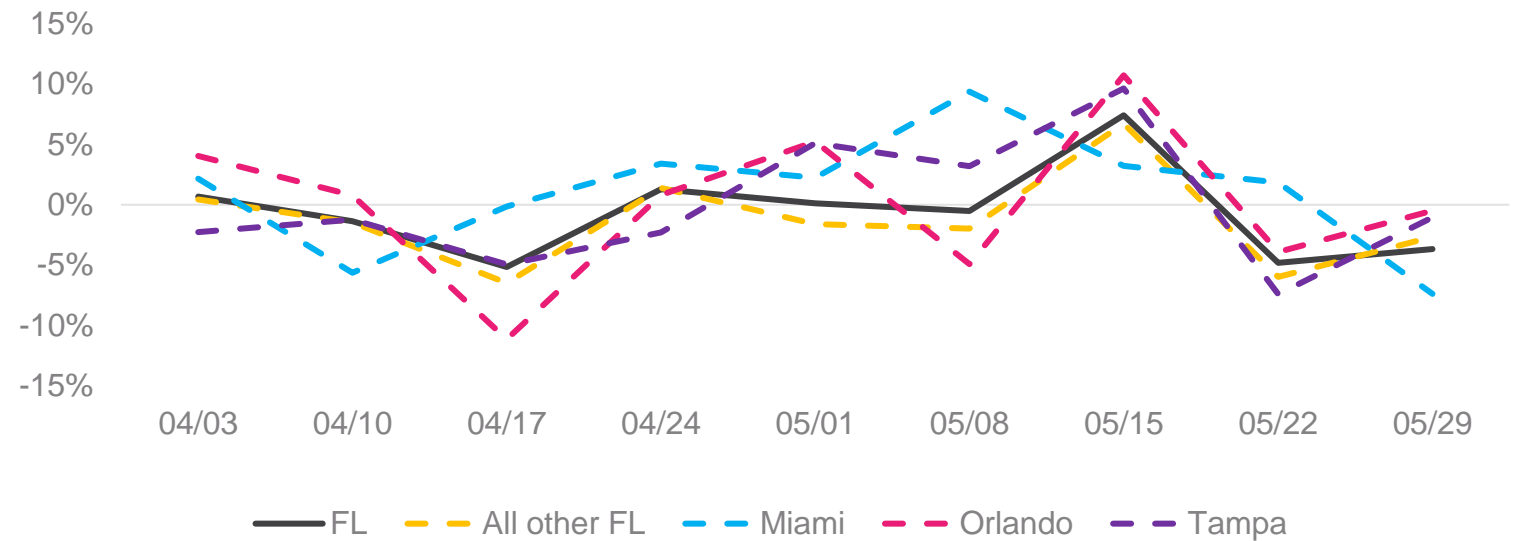
+86%

v May 30 2020

-4%

v May 22 2021

\$ VELOCITY % CHG - WEEK ON WEEK

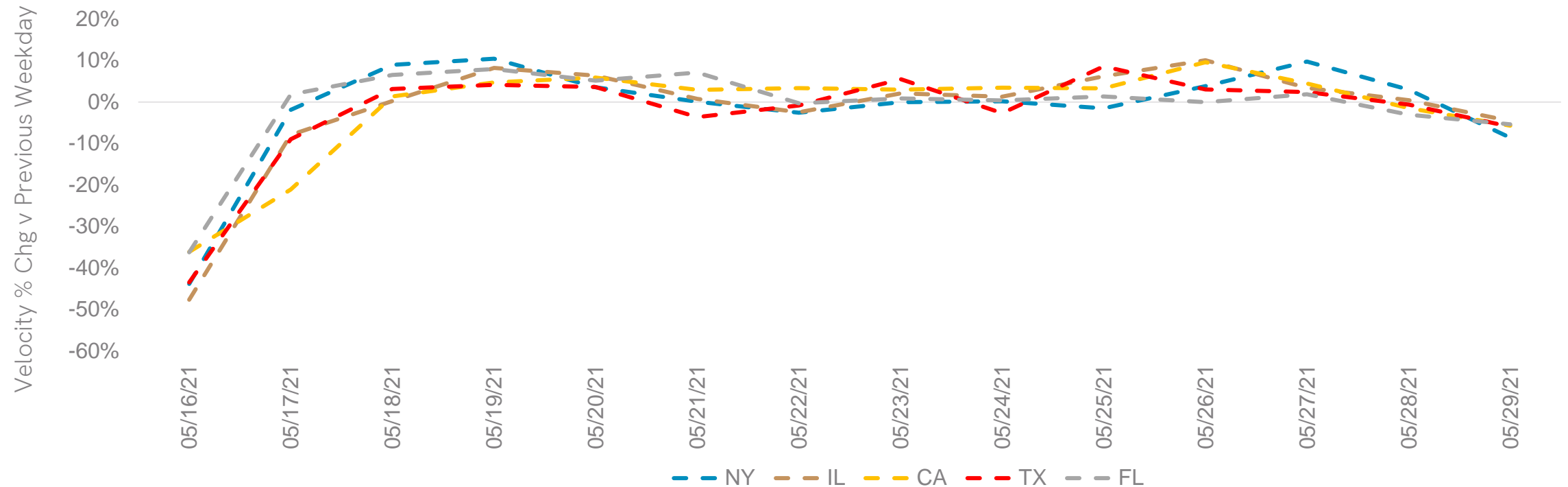


DAILY VELOCITY

All Key states experienced negative trends on Sunday May 16 due to Mother's Day falling on the previous Sunday.

Over the past week trends have been generally flat or slightly positive across the majority of states.

\$ VELOCITY % CHG - DAY v SAME DAY PREVIOUS WEEK



N.B.

% Chg v Previous Same Weekday: Change in Velocity v the same weekday in the previous week. E.g. Monday this week v Monday last week



REOPENING STRATEGY

TALK TO US ABOUT YOUR 2021 STRATEGY

CGA's defining purpose is to build unique services which help our clients to offer better solutions to the trade, to sell more product and to more easily navigate a difficult and complex channel. 2021 brings many opportunities for the channel and for suppliers, retailers and distributors alike, as the market recovers from a challenging year.

To continue to deliver the most effective solutions, we want to stay aligned with your priorities and business challenges, to ensure our solutions are designed to add the most value possible to you and your teams. We'll be reaching out to you over the next month to talk through your plans and our new services to demonstrate how we can best help.



CGA SERVICES

Essential tools to help you navigate the new On Premise reality

State Performance Tracker



Track the top line performance of 40 states for just \$1k a month!

International Expansion



Following the huge success of OPUS in the US and Canada - this service will now be available in Mexico and Brazil

PurchaseTrak



An On Premise tracking tool designed for regional sale teams

Operator Solutions



Did you know that NCGA has an entire Operator division?

Channel Strategy



Channel Strategy is back for 2021 - how will you win in casinos, stadiums and other channels when the market fully re-opens?

BeverageTrak



Tracking & responding to low level, sub-market, sales performance is now crucial





METHODOLOGY

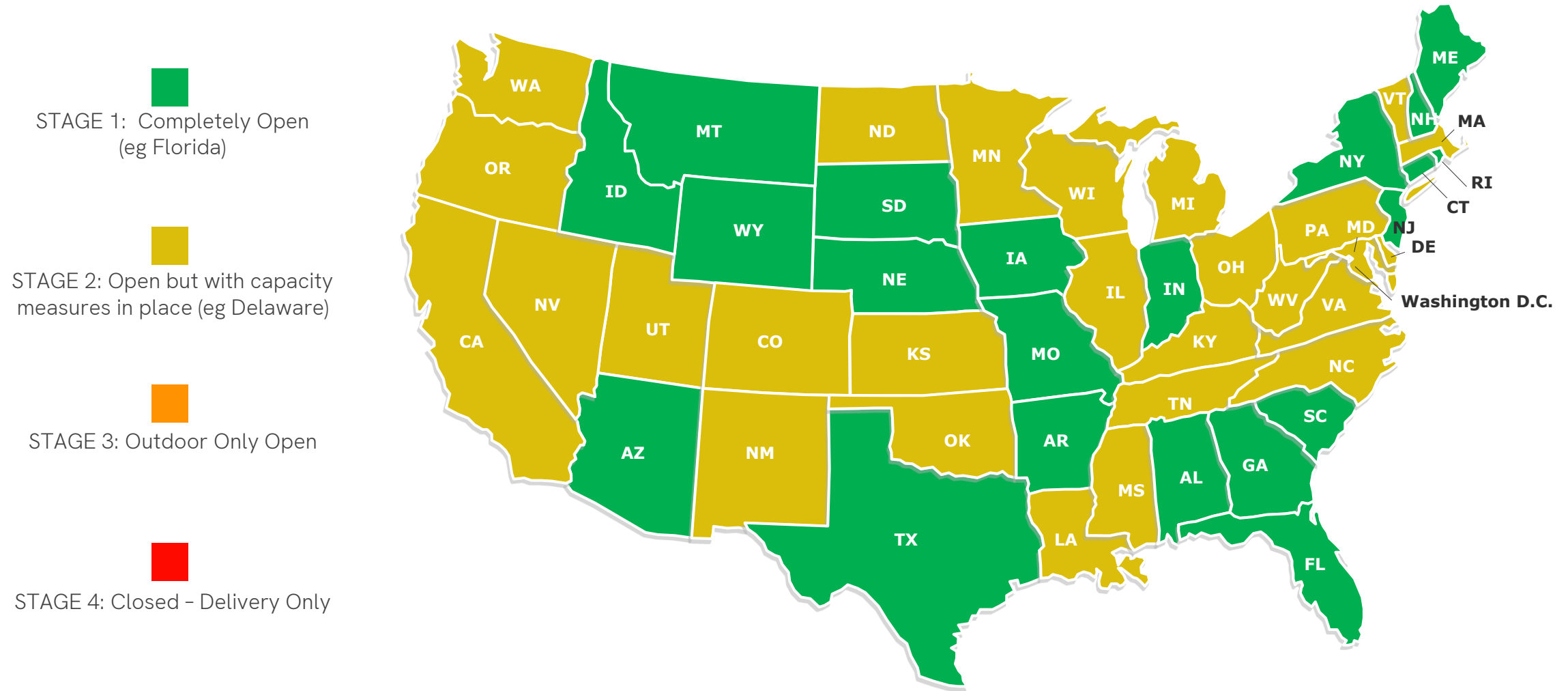
BEVERAGETRAK

POWERED BY CHECK-LEVEL INSIGHTS POOL (CLIP)

Analysis of BeverageTrak demonstrates that current On-Premise performance is two Standard Errors away from normal market variation. We can therefore infer that as one of the main variables that cannot be controlled for is COVID-19, and it is this that is driving market performance.

A stable set of outlets has been used to allow a comparison of average value velocity this year against last year. The comparison points used will be the same week as a week a year ago for example average sales from week 30 in 2020 will be compared to average sales from week 30 2019

OPENING STAGES: RESTAURANTS





WEEK ENDINGS

	2019	2020	2021
Week 1	1/5	1/4	1/2
Week 2	1/12	1/11	1/9
Week 3	1/19	1/18	1/16
Week 4	1/26	1/25	1/23
Week 5	2/2	2/1	1/30
Week 6	2/9	2/8	2/6
Week 7	2/16	2/15	2/13
Week 8	2/23	2/22	2/20
Week 9	3/2	2/29	2/27
Week 10	3/9	3/7	3/6
Week 11	3/16	3/14	3/13
Week 12	3/23	3/21	3/20
Week 13	3/30	3/28	3/27
Week 14	4/6	4/4	4/3
Week 15	4/13	4/11	4/10
Week 16	4/20	4/18	4/17
Week 17	4/27	4/25	4/24
Week 18	5/4	5/2	5/1
Week 19	5/11	5/9	5/8
Week 20	5/18	5/16	5/15
Week 21	5/25	5/23	5/22
Week 22	6/1	5/30	5/29
Week 23	6/8	6/6	
Week 24	6/15	6/13	
Week 25	6/22	6/20	
Week 26	6/29	6/27	

	2019	2020
Week 27	7/6	7/4
Week 28	7/13	7/11
Week 29	7/20	7/18
Week 30	7/27	7/25
Week 31	8/3	8/1
Week 32	8/10	8/8
Week 33	8/17	8/15
Week 34	8/24	8/22
Week 35	8/31	8/29
Week 36	9/7	9/5
Week 37	9/14	9/12
Week 38	9/21	9/19
Week 39	9/28	9/26
Week 40	10/5	10/3
Week 41	10/12	10/10
Week 42	10/19	10/17
Week 43	10/26	10/24
Week 44	11/2	10/31
Week 45	11/9	11/7
Week 46	11/16	11/14
Week 47	11/23	11/21
Week 48	11/30	11/28
Week 49	12/7	12/5
Week 50	12/14	12/12
Week 51	12/21	12/19
Week 52	12/28	12/26