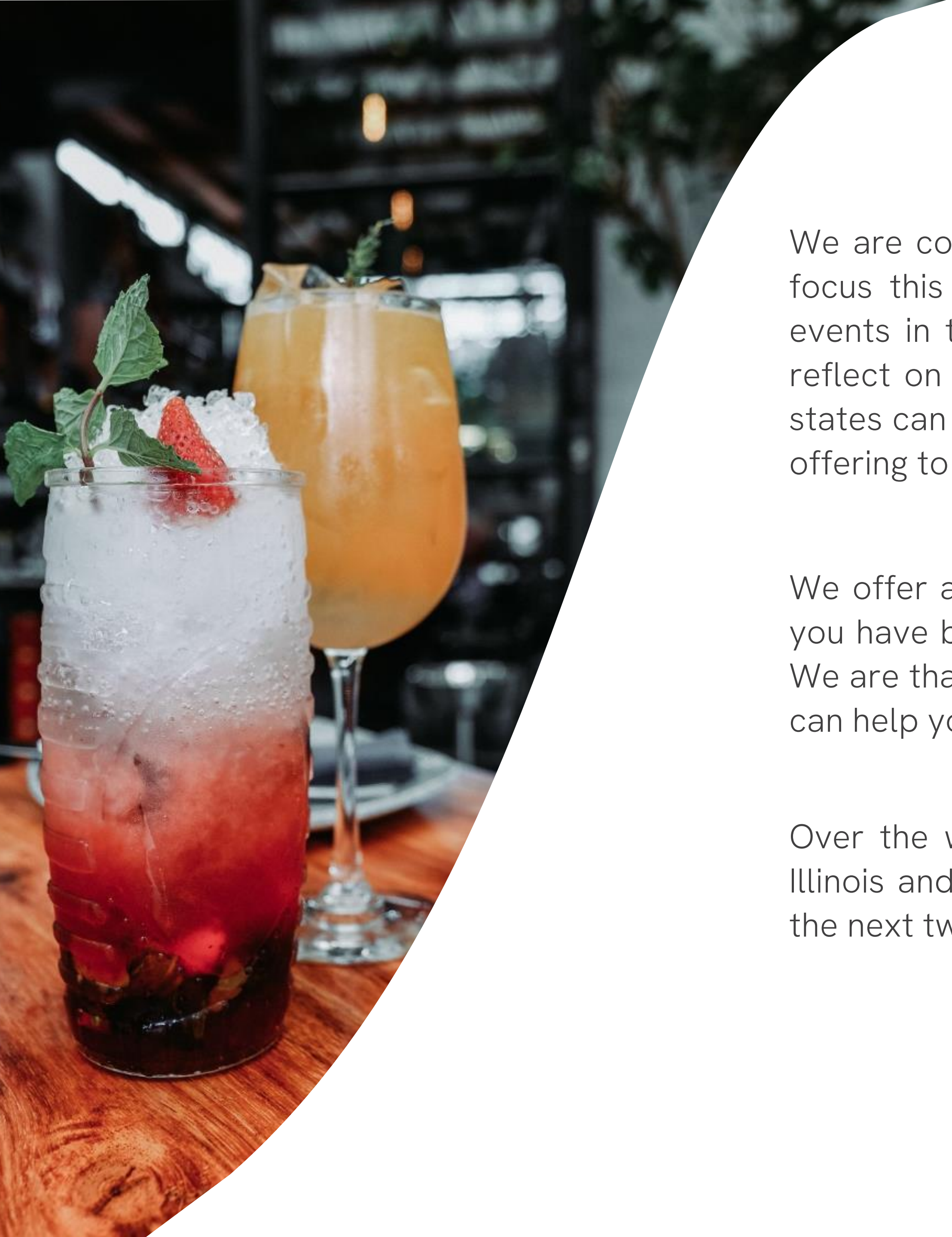
COVID-19 ON PREMISE IMPACT REPORT

CGA, May 13 2021

CGA



INTRODUCTION

We are continuing to track behavior and return to the On Premise, with a particular focus this month on On Premise visitor participation in sports betting, celebrating events in the On Premise and tracking takeout/delivery behavior. This allows us to reflect on how people currently feel about returning to the On Premise, what other states can expect as they re-open more fully and how the On Premise can position it's offering to encourage more visits.

We offer a suite of products which can reach into different areas or research and if you have broader business questions, please reach out to speak with us for support. We are thankful for your engagement and hope to continue bringing you studies which can help you to focus your efforts.

Over the weekend (May 7-10) we surveyed 1630 respondents from Florida, Texas, Illinois and New York on their expectations, desires and how they plan to behave in the next two weeks.

SUMMARY: RETURNING TO THE ON PREMISE

- 67% of consumers have visited the On Premise for food led occasions since venues reopened and 22% have visited for drink led occasions.
- There is a positive outlook for future visitations with 2 thirds of consumers planning to visit for food and ¼ consumers planning to visit for drinks in the next 2 weeks.
- Texas and Florida have the highest number of consumers returning for food led occasions. However, New York (-6pp vs Florida) and Illinois (-5pp vs Florida) have increased closer to these states, this may be due more openings within the states. When looking at figures returning for drinks the states don't have much differences.
- Under 55s drive the return to the On Premise for food led and especially drink led occasions, 21-34 have visited double the amount as 55+ for drink led occasions.
- Consumers going out three times or more has significantly increased in the past month, having increased by +7pp.
- 2 out of 5 have returned to the On Premise because they wanted to go back to normal. The most selected reason for returning is different for each age group; 21-34 returned because they wanted to go back to normal, 35-54 returned because they wanted food cooked/prepared by restaurant/bar and 55+ due to them being vaccinated.
- 77% are spending the same or more than pre-COVID-19, showing positive signs for bars, restaurants and suppliers.

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SUMMARY: RETURNING TO THE ON PREMISE

- Beer, followed by soft drinks, lead the drink categories drunk since returning to the On Premise.
- Half of consumers in the On Premise choose their drinks based on it being different to the ones they drink at home.
- For those who haven't returned, it is a general anxiety and worry about being around people and in these places, rather than habit change, money worries or experience based factors such as the atmosphere or the limits on number of people/time at a table. This highlights that for bars and restaurants, the safety precautions/COVID-19 adaptions made aren't off putting for many and that as consumers generally feel safer in busy spaces due to a lower COVID-19 threat, they should naturally return.
- 28% of consumers who haven't returned are waiting for the threat of Covid-19 to be completely gone.
- Compared to 6 months ago there has been an increase in frequency of consumers ordering take out/ delivery, with 39% ordering more than 3 times in the past 2 weeks.

SUMMARY: EVENTS AND SPORT BETTING

- One third of consumers celebrated Mother's day in the On Premise, mainly visiting with family with children for food and drink led occasions.
- 2 in 5 consumers who visited the On Premise to celebrate Cinco de Mayo drank beer and this occasion was mainly food and drink led occasion.
- Those who visited the On Premise for the Kentucky Derby spent more than they would have done pre COVID-19, with the average spend on drinks being $42.
- Over 2 in 5 of consumers would take part in daily fantasy sports betting or general sports betting in the On Premise. The most popular venue for sports betting being at a sports bar with 3 in 5 having/ wanting to bet on NFL Football.
- Beer is the chosen drink for consumers who watch sports on TV in the On Premise.
- Almost ¾ of consumers who would place a sports bet agree that if they were to win a bet they would stay the venue longer to buy another drink

67%

CONSUMERS HAVE BEEN OUT TO EAT SINCE RESTAURANTS/BARS HAVE REOPENED

22%

CONSUMERS HAVE BEEN OUT FOR A DRINK SINCE RESTAURANTS/BARS REOPENED

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

66%

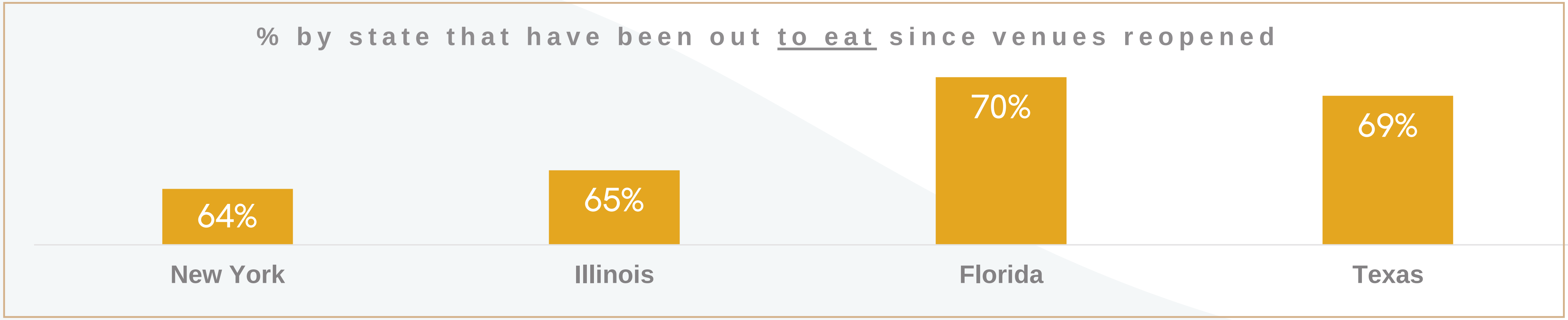
OF CONSUMERS PLAN TO GO OUT TO EAT IN THE NEXT 2 WEEKS

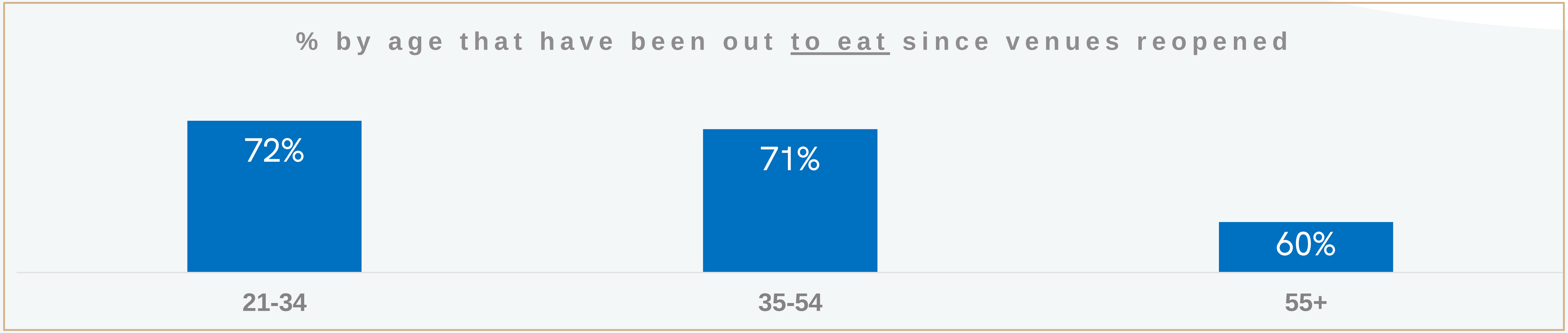
25%

OF CONSUMERS PLAN TO GO OUT FOR A DRINK IN THE NEXT 2 WEEKS

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

RETURNING TO VENUES - TO EAT DEMOS

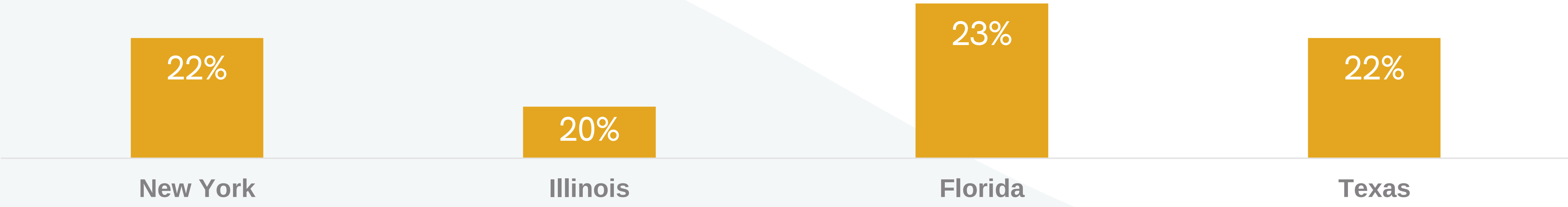




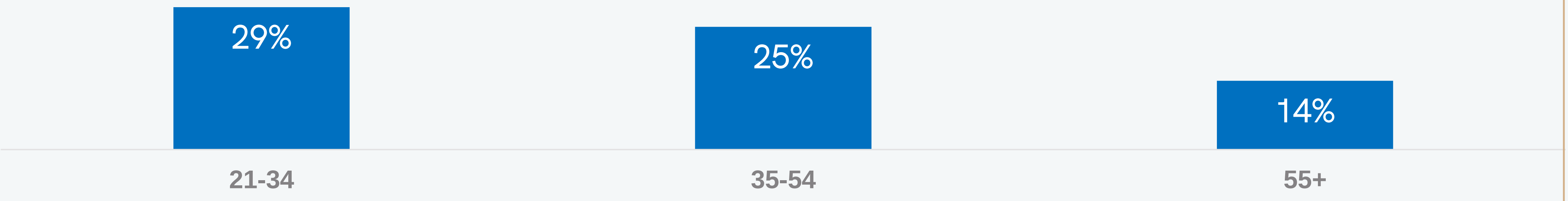
SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

RETURNING TO VENUES - TO DRINK DEMOS

% by state that have been out to drink since venues reopened



% by age that have been out to drink since venues reopened



SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

FACTORS FOR RETURNING TO THE ON PREMISE

What have been the main reasons for your visits?

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1213)

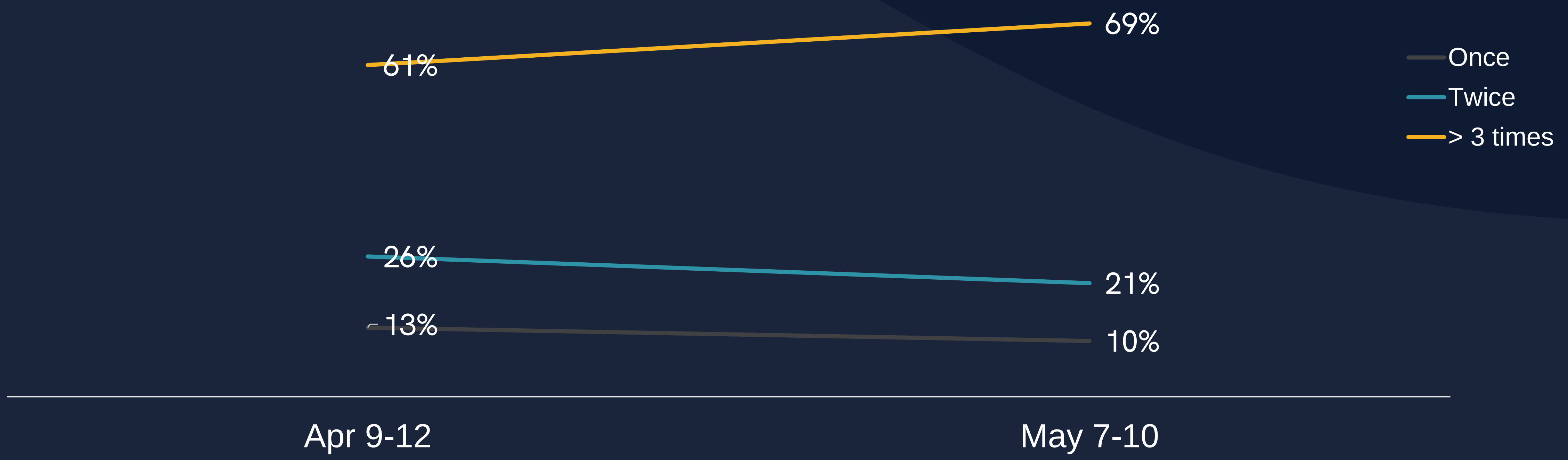
TOP 3 FACTORS FOR RETURNING BACK TO THE ON PREMISE, SPLIT INTO DEMOGRAPHICS

18-34		35-54		55+	
I wanted to go back to normal	36%	I wanted to eat food cooked and prepared by a restaurant	42%	I have been vaccinated	49%
I wanted to eat food cooked and prepared by a restaurant	31%	I wanted to go back to normal	42%	I wanted to eat food cooked and prepared by a restaurant	46%
I needed to leave the house and spend time somewhere else	30%	I wanted to support local businesses	34%	I wanted to go back to normal	44%

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1213)

FREQUENCY OF ON PREMISE VISITS BY THOSE WHO HAVE BEEN OUT

The changes across 1 month



SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1193)

HOW DOES YOUR WEEKLY SPEND ON ALCOHOL CURRENTLY COMPARE TO PRE COVID-19?

22% Spending more than pre COVID-19

23% Spending less than pre COVID-19

55% Spending the same as pre COVID-19

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1213)

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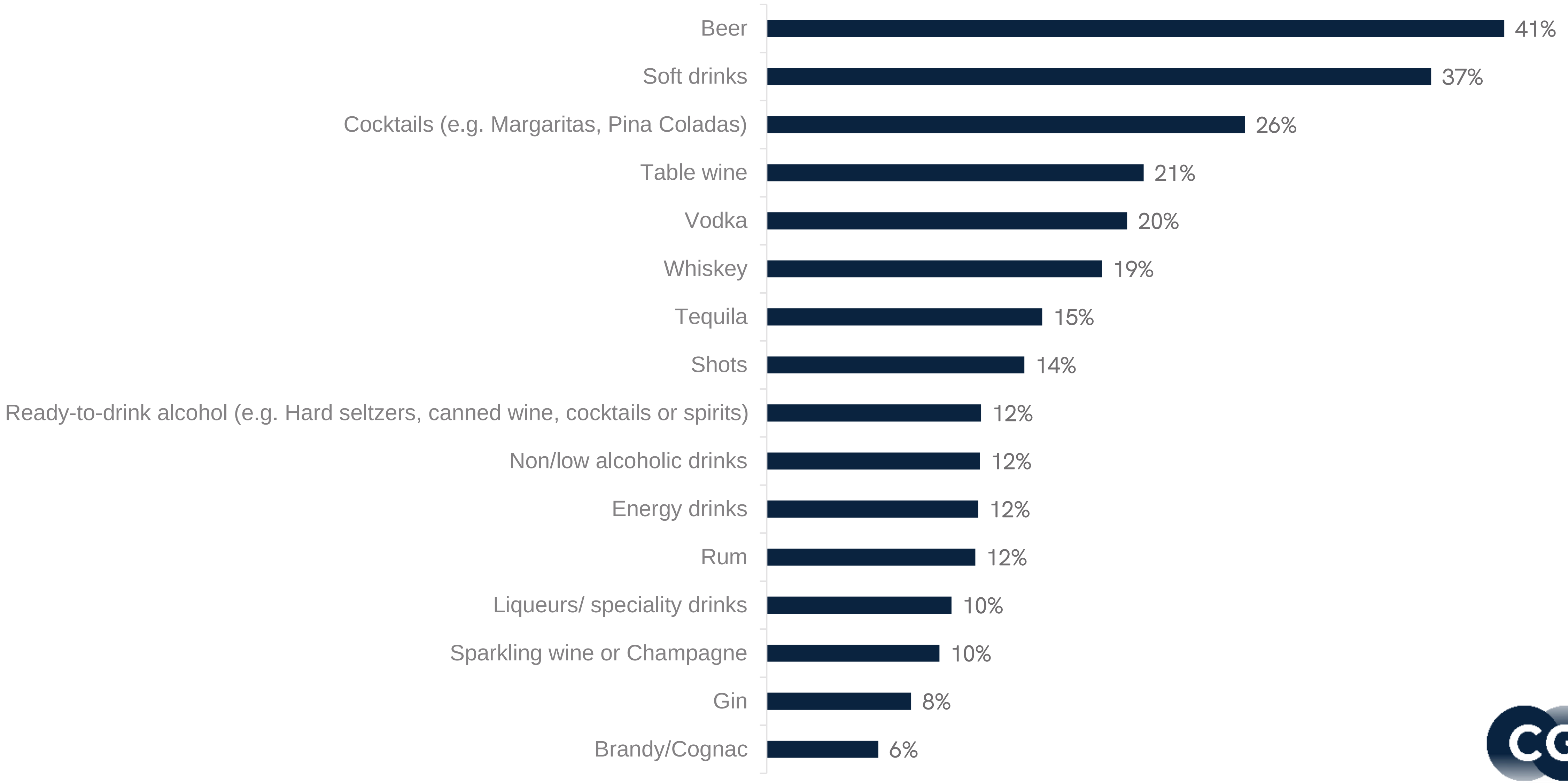
WHICH OF THE FOLLOWING HAVING YOU DRANK IN BARS AND RESTAURANTS SINCE THEY REOPENED?

Drink choice of those who have visited the On Premise since reopening



SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1213)

Consumers who have returned to the On Premise

% Agreeing with statements…

"When I'm in bars and restaurants I choose drinks that are different to those I drink at home"	50%
"When I'm in bars and restaurants I want drinks that are not as easy to make/replicate at home"	47%

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1604)

Consumers who have returned to the On Premise

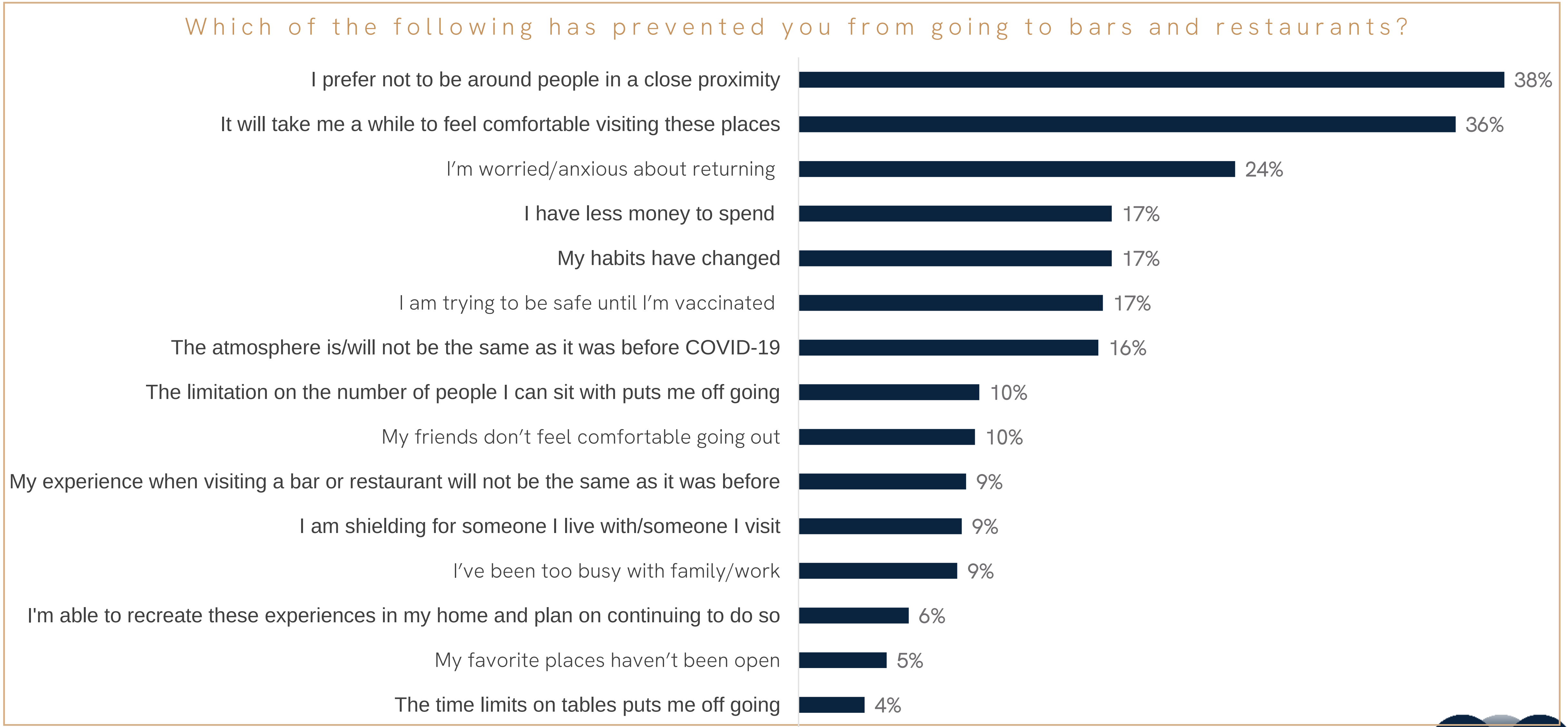
35%

Agree that...

"I have been choosing more drinks in bottles/cans since the start of the COVID-19 pandemic for a safer option"

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1604)

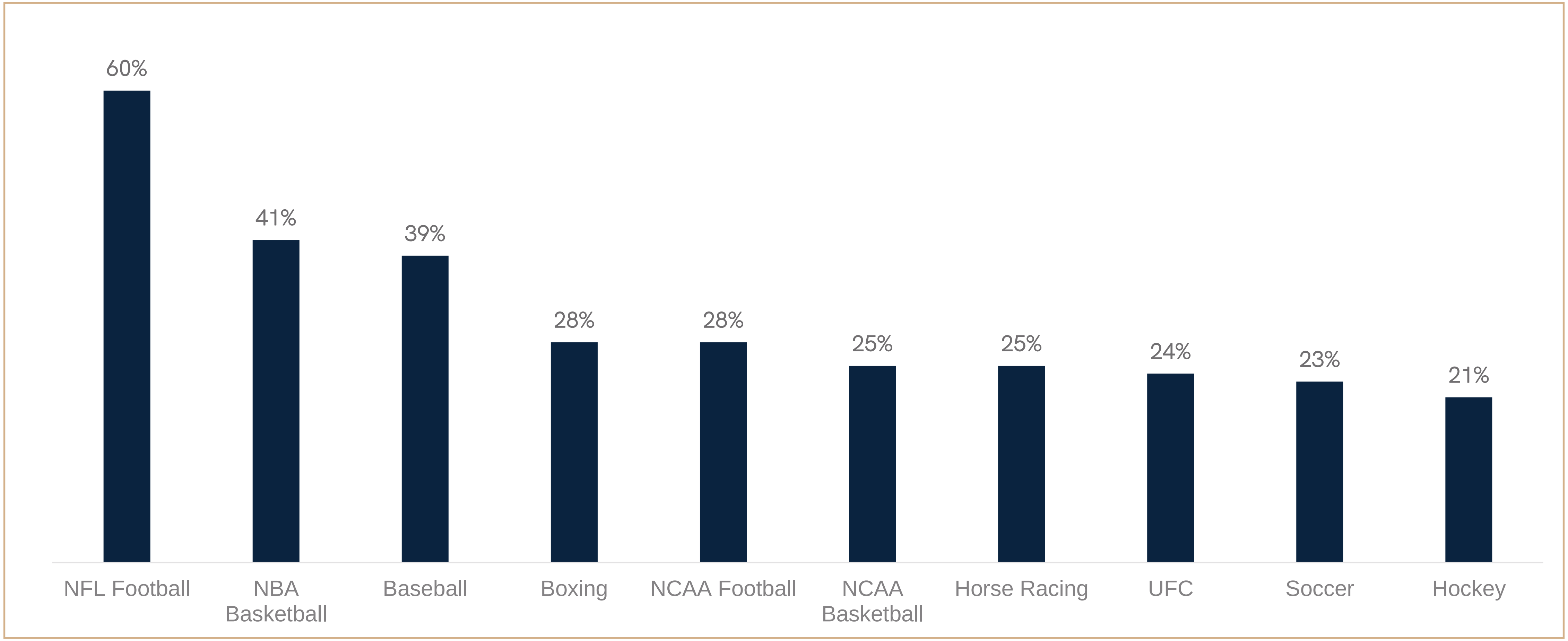
FACTORS PREVENTING CONSUMERS RETURNING ONTO THE ON PREMISE



SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (417)

SPORTS BET ON WHILE VISITING A BAR/RESTAURANT

% of sports betting consumers who would or have placed a sporting bet on



*consumers who would or have taken part in daily fantasy sports betting (e.g Fanduel, DraftKings) or sports betting (e.g mobile app, OTB sites, kiosks) in bars and restaurants, or similar outlets

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (713)

EVENTS CELEBRATED OUT IN THE ON PREMISE

34% Mother's Day

23% Cinco de Mayo

14% Kentucky Derby

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

On Premise celebration for Mother's Day

% Top 3 drink categories

Soft drinks	Table wine	Beer
35%	30%	26%

% Top 3 venues visited

Local/ neighborhood restaurants	Casual dining chains	Fine dining
38%	35%	31%

Type of occasion

Food only 24%

68% Both food & drink

Drink only 8%

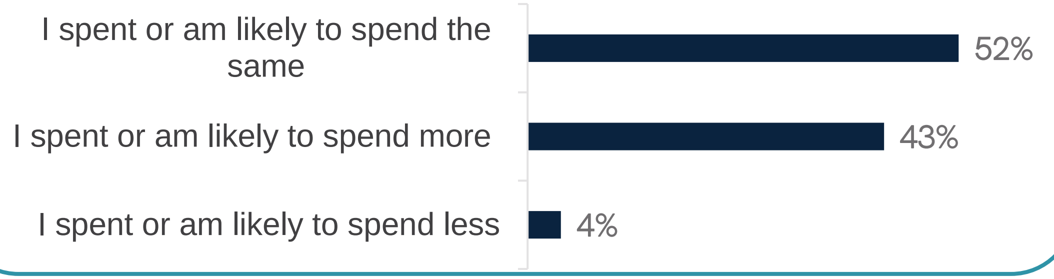
$40

Average spend on drinks

Who consumers visit with

Family with children	Partner/ Spouse	Family without children
52%	33%	27%

Spend compared to before pre COVID-19



SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (560)

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On Premise celebration for Cinco de Mayo

% Top 3 drink categories

Beer	Tequila	Cocktails
40%	30%	28%

% Top 3 venues visited

Local/ neighborhood restaurants	Neighborhood bars	Casual dining chains
39%	36%	34%

$42

Average spend on drinks

Type of occasion

Food only 17%

68% Both food & drink

16% Drink only

Who consumers visit with

Friend	Partner/ Spouse	Family without children
46%	34%	28%

Spend compared to before pre COVID-19

I spent or am likely to spend the same	48%
I spent or am likely to spend more	46%
I spent or am likely to spend less	6%

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (370)

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On Premise celebration for Kentucky Derby

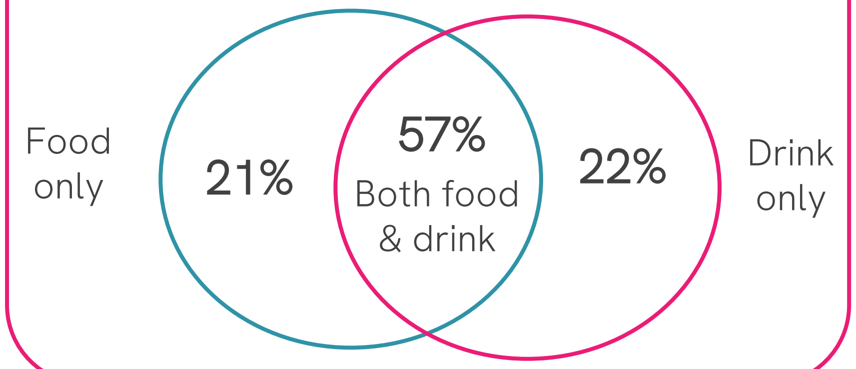
%Top 3 drink categories

Beer	Soft drinks	Table wine
46%	26%	25%

% Top 3 venues visited

Local/ neighborhood restaurants	Neighborhood bars	Sports bar
38%	36%	32%

Type of occasion



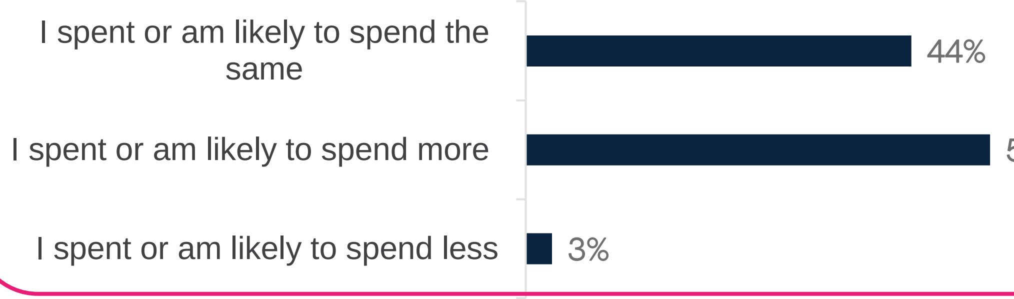
$42

Average spend on drinks

Who consumers visit with

Friend	Partner/ Spouse	Family without children
48%	36%	27%

Spend compared to before pre COVID-19

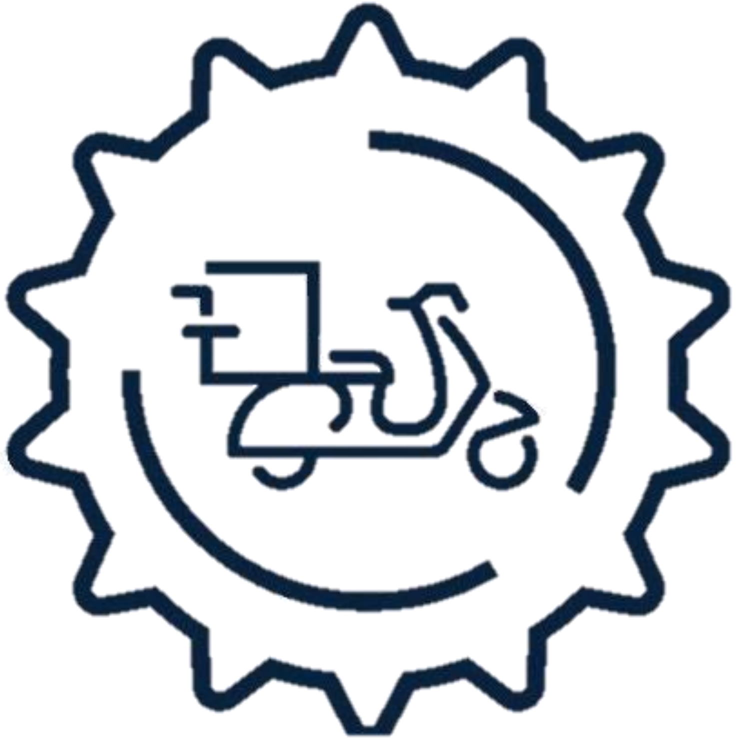


SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (228)

TAKEOUT/ DELIVERY

65%

Have ordered alcohol for takeout/delivery from venues WITH FOOD in the last 2 weeks



12%

Have ordered alcohol for takeout/delivery from venues WITHOUT FOOD in the last 2 weeks

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

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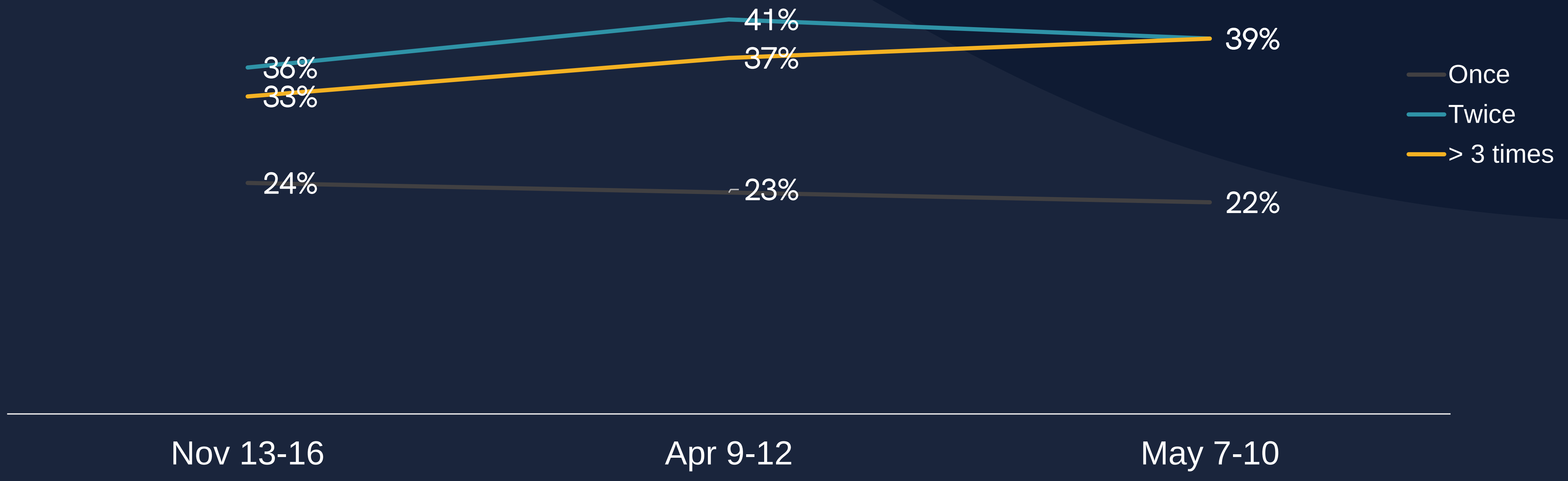
FREQUENCY OF ORDERING TAKE OUT/ DELIVERY

The changes across 6 month



SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1206)

Do you plan on ordering take out/delivery of food and/or drinks in the next 2 weeks?

65%

Yes, a take out/delivery of just food

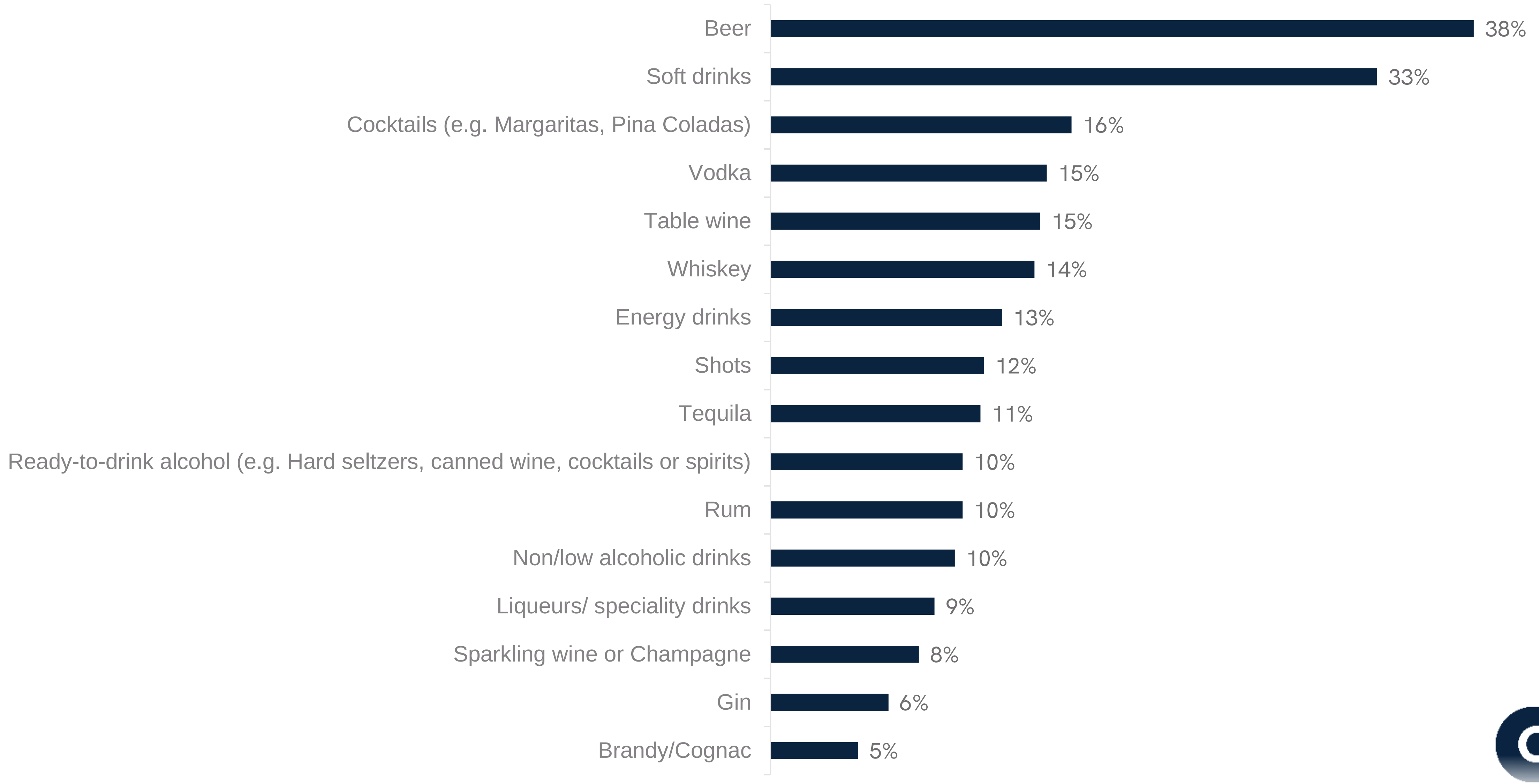
14%

Yes, a take out/delivery that includes alcohol

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

WHAT DO YOU TYPICALLY DRINK WHILE WATCHING SPORTS ON TV IN BARS/RESTAURANTS?

Drink choice of those watching sports on TV in the On Premise



SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

43%

Would participate in daily fantasy sports betting or sports betting in general while out in the On Premise

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (1630)

Current awareness and participation in daily fantasy sports betting or general sports betting in the On Premise
(New York and Illinois consumers)

27%

Yes, I have seen it but <u>not</u> taken part

23%

Yes, I have seen it and <u>have</u> taken part

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (804)

WHERE HAVE YOU/WOULD YOU TAKE PART IN FANTASY SPORTS BETTING OR GENERAL SPORTS BETTING?

% venues for sports betting

Sports Bars	Local/ Neighborhood bar	Casinos	Hotel Bar	Stadiums	Airport Bars
57%	44%	41%	31%	22%	20%

*consumers who would or have taken part in daily fantasy sports betting (e.g Fanduel, DraftKings) or sports betting (e.g mobile app, OTB sites, kiosks) in bars and restaurants, or similar outlets

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (713)

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% Agreeing with statements…

"If I win a bet, I would be more likely to stay at the venue longer for another drink"	74%
"I would be more likely to visit bars/restaurants if venues supported gaming in outlet where it is legal"	73%
"Mobile sports betting would keep me at a bar/venue longer as I would stay to watch the full event"	73%
"I would likely order more drinks if I were watching a game that I placed a bet on, as opposed to a game I did not bet on"	72%
"Watching sports that I bet on would influence my drink choice when out"	62%

*consumers who would or have taken part in daily fantasy sports betting (e.g Fanduel, DraftKings) or sports betting (e.g mobile app, OTB sites, kiosks) in bars and restaurants, or similar outlets

SOURCE: CGA COVID-19 IMPACT CONSUMER RESEARCH SAMPLE (713)

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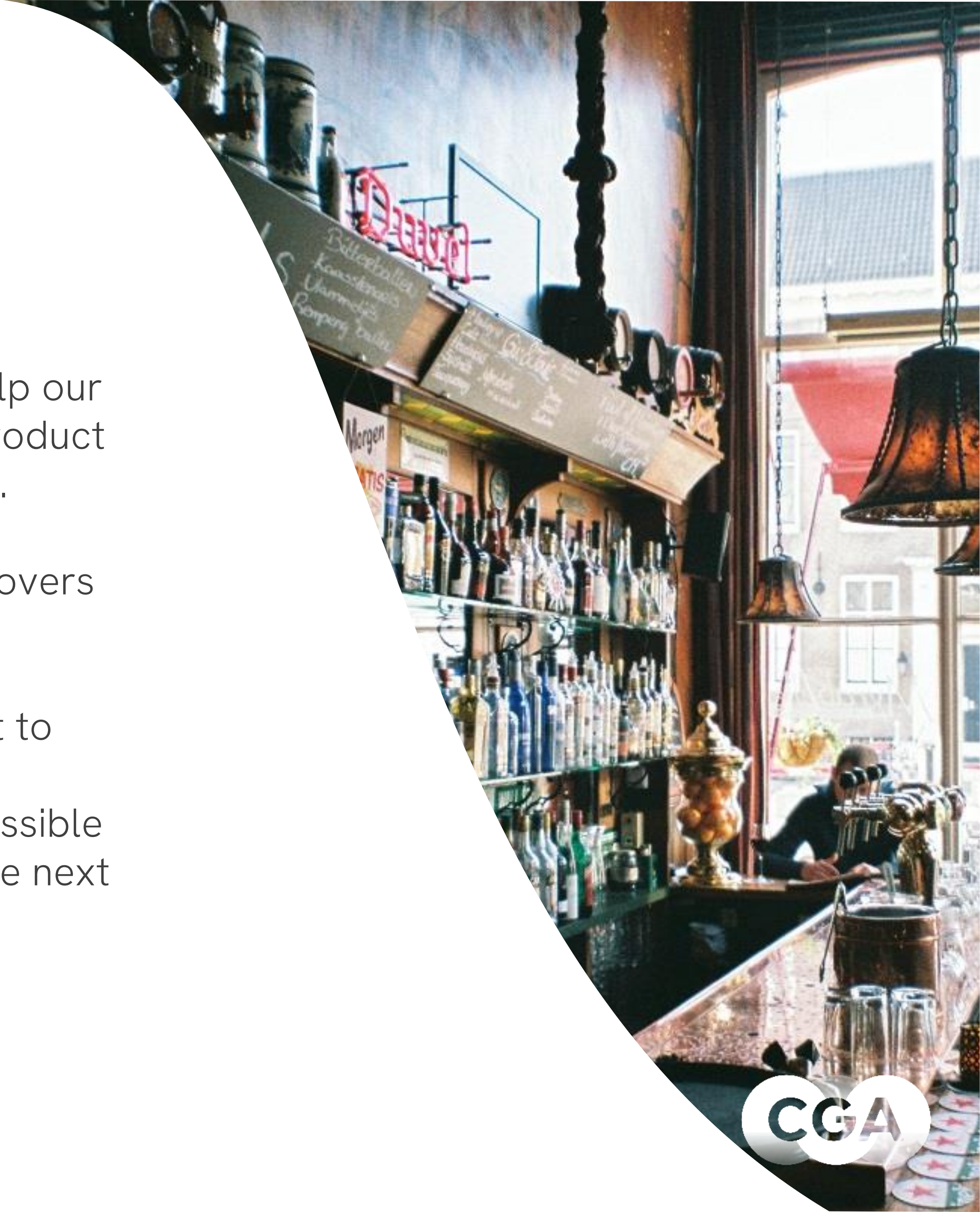
2021 STRATEGY

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!

Channel Strategy

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

International Expansion

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

BeverageTrak

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

PurchaseTrak

An On Premise tracking tool designed solely for regional sale teams

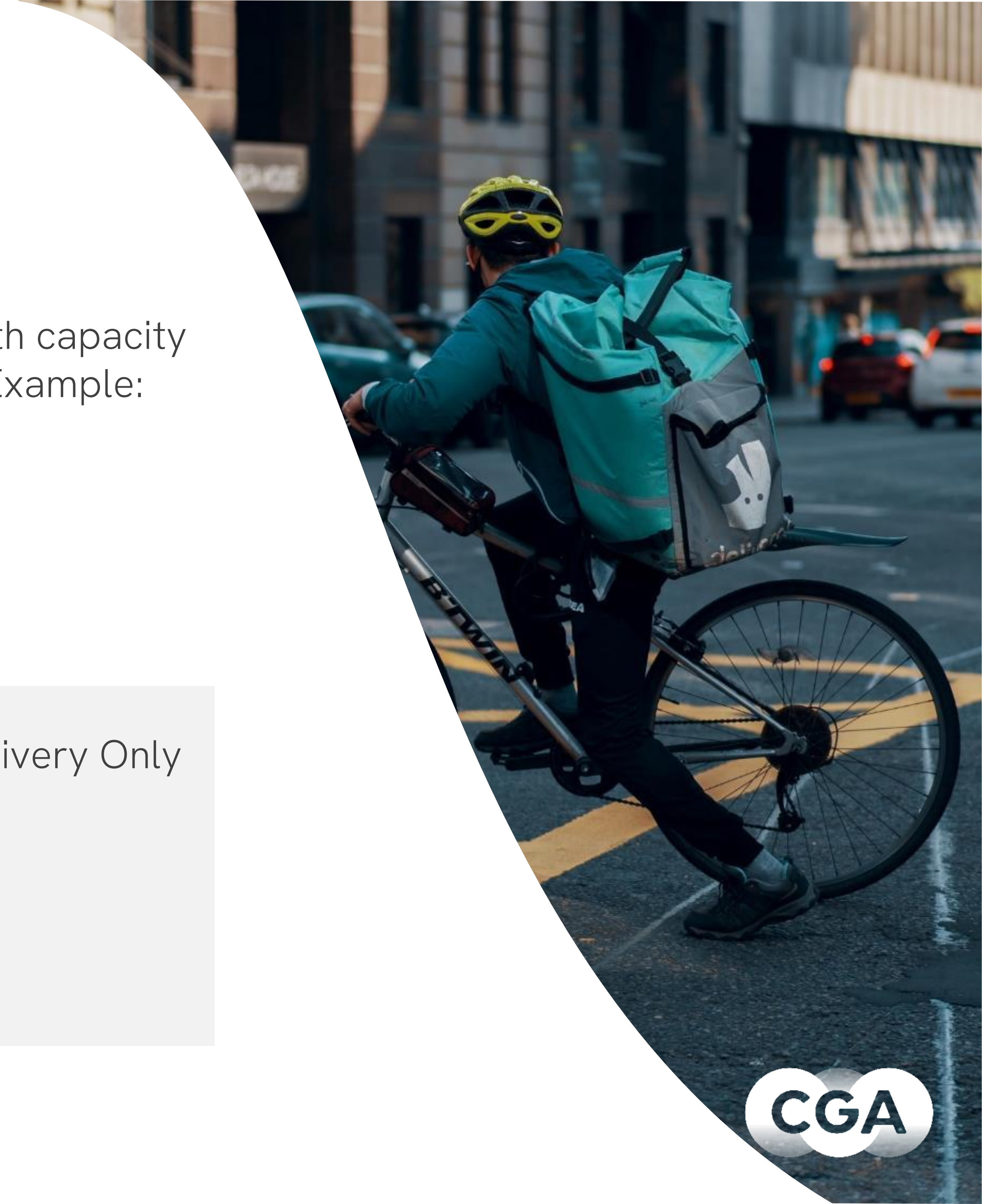
Retail Solutions

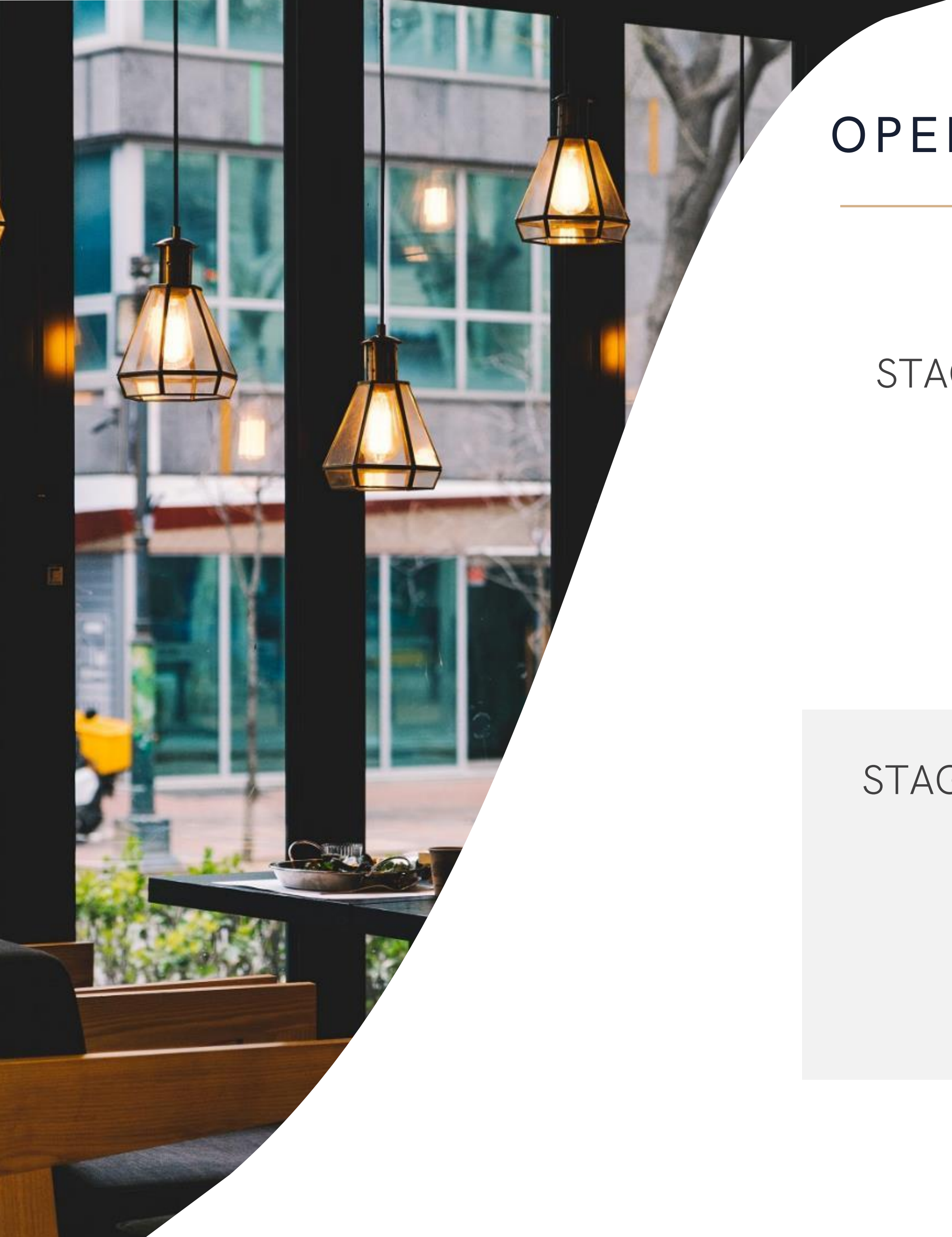
Did you know that CGA has an entire retail division?

OPENING STAGES: BARS

% OF STATES IN STAGE

STAGE 1: Completely Open (Example: Florida) 32%	STAGE 2: Open but with capacity measures in place (Example: Delaware) 66%
STAGE 3: Outdoor Only Open (Example: California) 2%	STAGE 4: Closed – Delivery Only 0%





OPENING STAGES: RESTAURANTS

% OF STATES IN STAGE

STAGE 1: Completely Open (Example: Florida) 36%	STAGE 2: Open but with capacity measures in place (Example: Delaware) 64%
STAGE 3: Outdoor Only Open 0%	STAGE 4: Closed – Delivery Only 0%

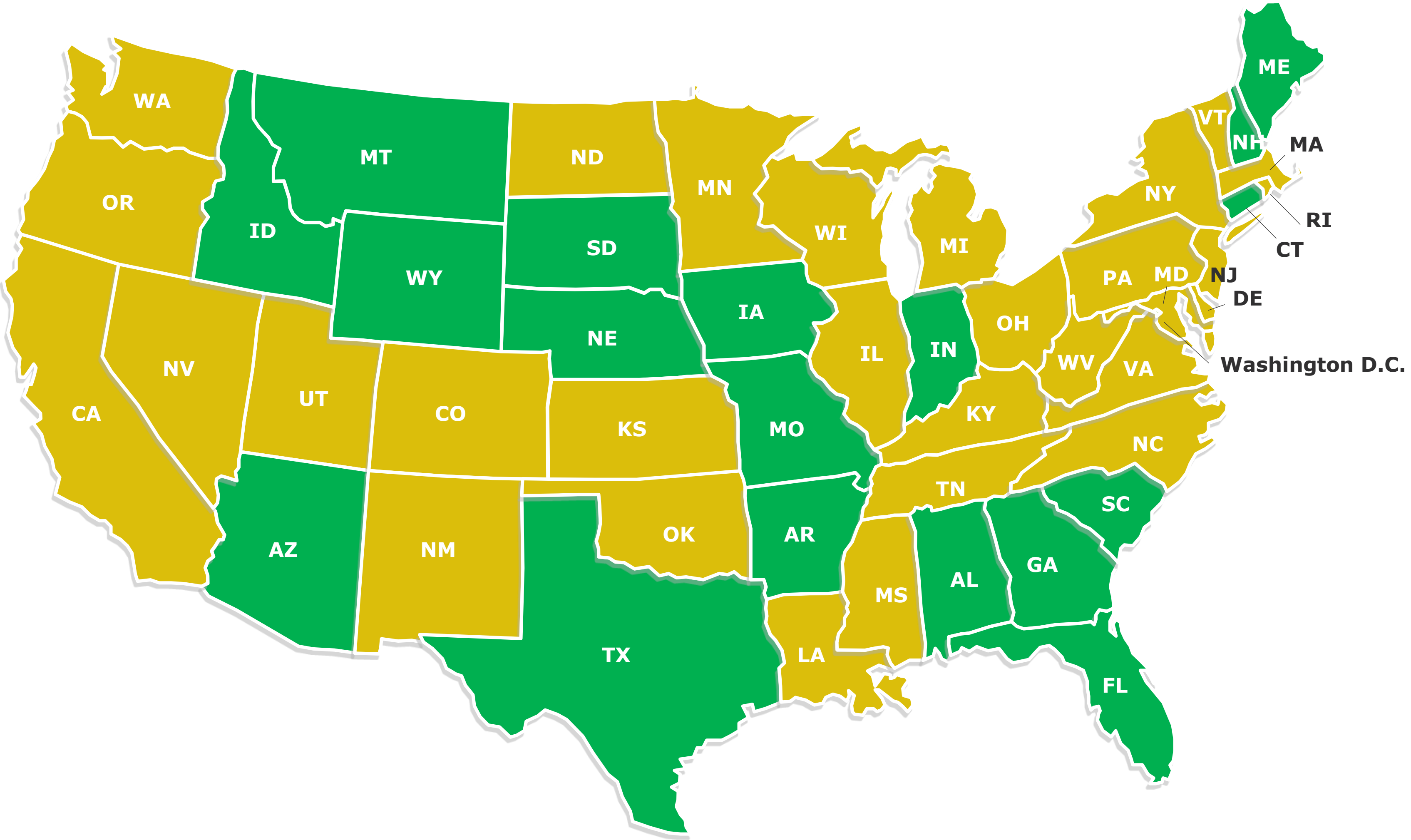
OPENING STAGES: RESTAURANTS

STAGE 1: Completely Open (eg Florida)

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

STAGE 3: Outdoor Only Open

STAGE 4: Closed – Delivery Only



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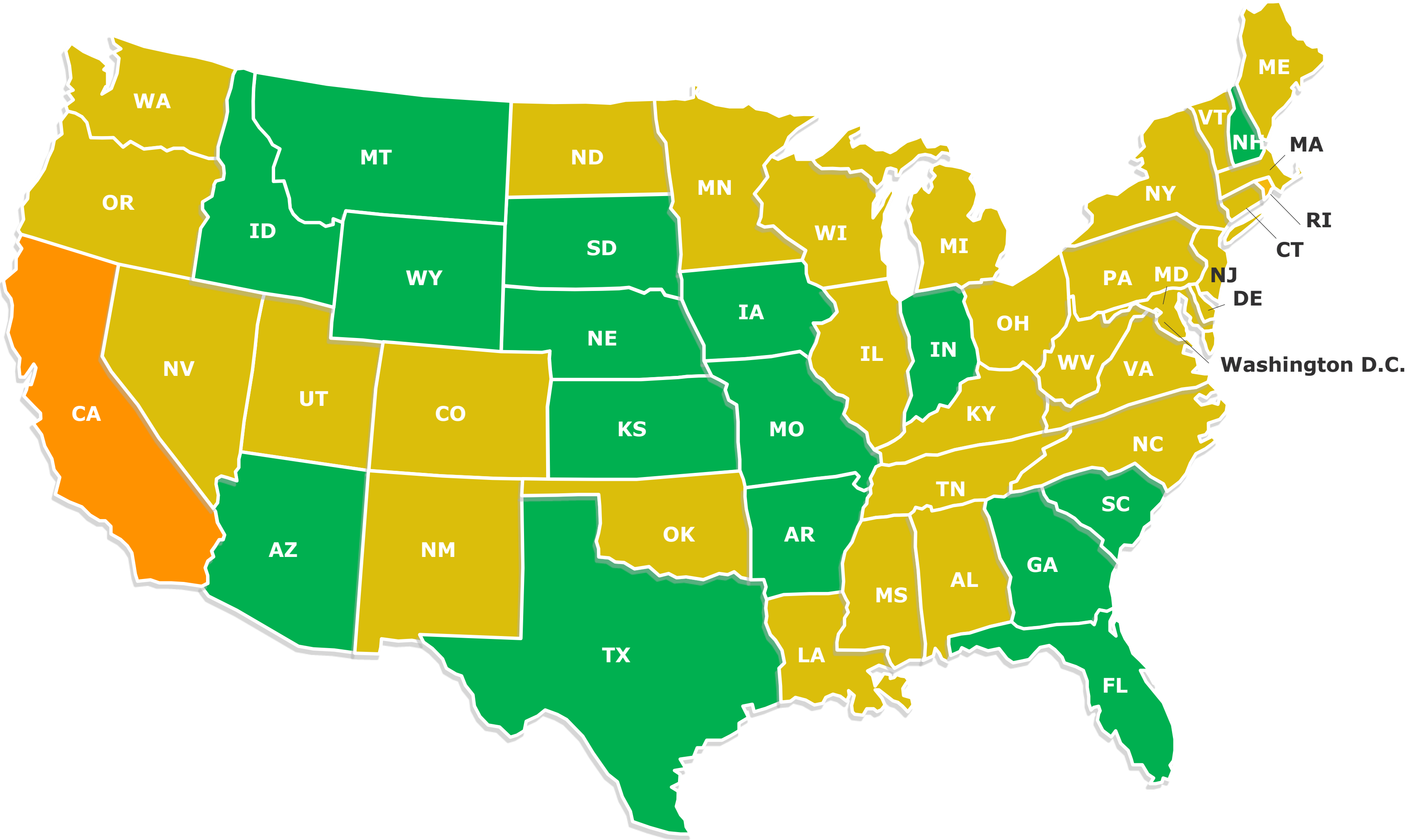
OPENING STAGES: BARS

STAGE 1: Completely Open (eg Florida)

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

STAGE 3: Outdoor Only Open (eg California)

STAGE 4: Closed - Delivery Only



Methodology

CONSUMER RESEARCH

CGA have surveyed 1,630 LDA On Premise consumers across four key states (Florida, Texas, New York & Illinois). Consumers had to have returned to the On Premise since reopening.

An equal number of respondents were collected from each state, with each nationally representative on gender and age.

Fieldwork was 05/07/21 to 05/10/21

HOW CAN WE HELP?

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