

COVID-19

ON PREMISE IMPACT REPORT

CGA, May 6 2021





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 1 2021.

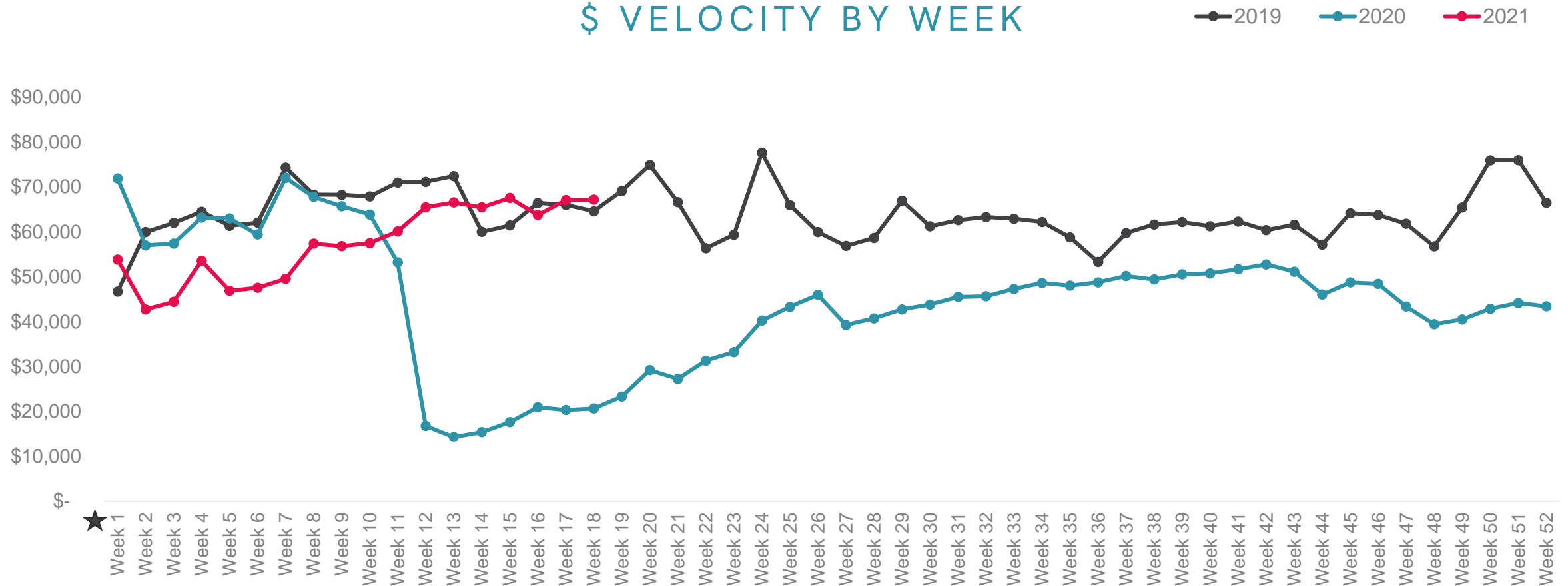
SUMMARY

- Across the US, 98% of states have Bars open indoors to some capacity (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 +225% higher than the same time last year in the week to May 1. Value velocity is up +4% v 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 at the start of 2020.
- Average outlet \$ sales (velocity) are flat (0%) in the latest week (May 1 v April 24) across the average US outlet.
- Within New York, flat trends follow a week of strong (+13%) growth, lead by the city with NYC up +16% in the week to April 24.
- Despite two weeks of flat trends, Florida remains one of the strongest states of those analyzed compared to last year, with velocity up +294%. Despite the state being flat overall, key city performance in the week to May 1 vs April 24 is strong with Tampa, Orlando and Miami all in growth (+5%, +4%, +2%)
- California is up +298% compared to a year ago, making it the best performing state analyzed. Key city performance varies with Los Angeles in slight decline (-1%) but San Francisco (+3%) and San Diego (+2%) in growth in the week to May 1, though all performed well in the previous week.
- Growth in Illinois (+3%) is driven by performance in Chicago, with the city up +4% in the week to May 1.
- All markets within Texas (-1%) experience flat or negative trends in the week to May 1 following a week of positive trends to April 24, with Dallas (0%) slightly outperforming Houston and Austin (both -2%)
- Daily Trends across the week are erratic across the states, though all states experienced strong growth over the previous weekend.

TOTAL US MARKET SALES: RECAP

On Premise velocity in outlets currently trading is **+225%** higher than the same time last year in the week to May 1, this is with the context that, the comparable week last year (to May 2 2020), while in a light recovery compared to the height of restrictions, was still one of the worst periods of On Premise declines as a result of COVID-19 restrictions. Value velocity is also up versus 2019 - +4%

\$ VELOCITY BY WEEK



★ Exact dates can be found in the appendix



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%

**State breakdown included in appendix*



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%

**State breakdown included in appendix*

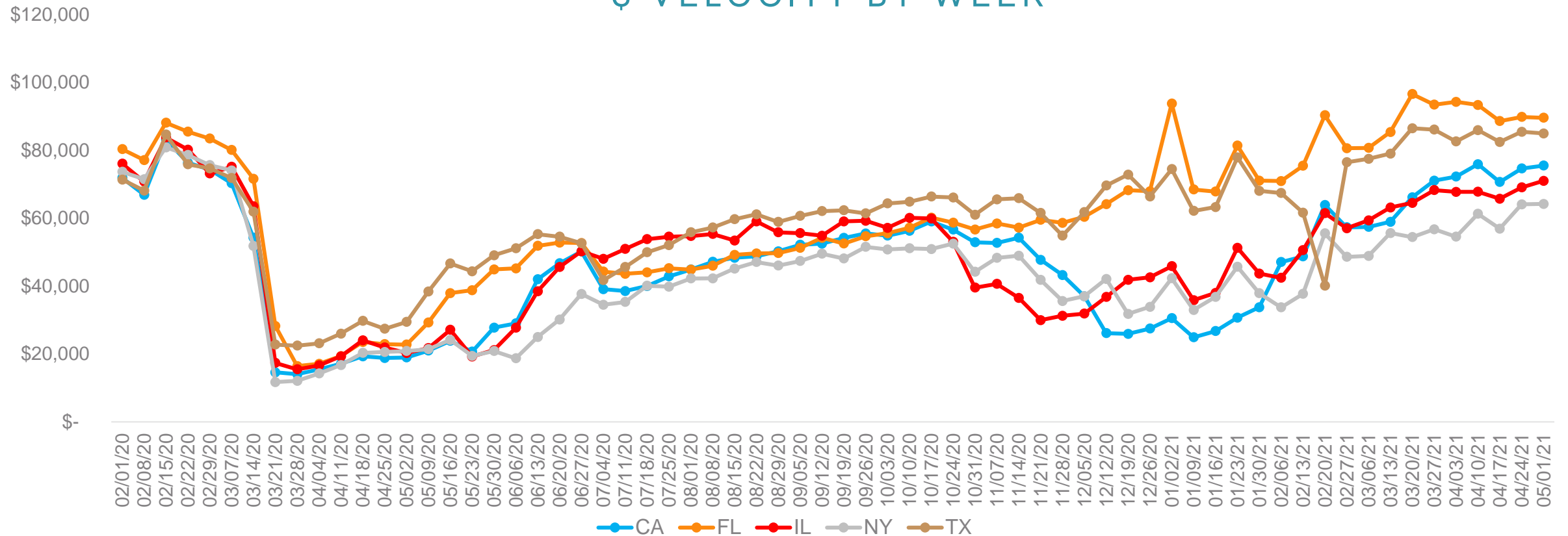
SOURCE: FODORS.COM



KEY STATE MARKET SALES: RECAP

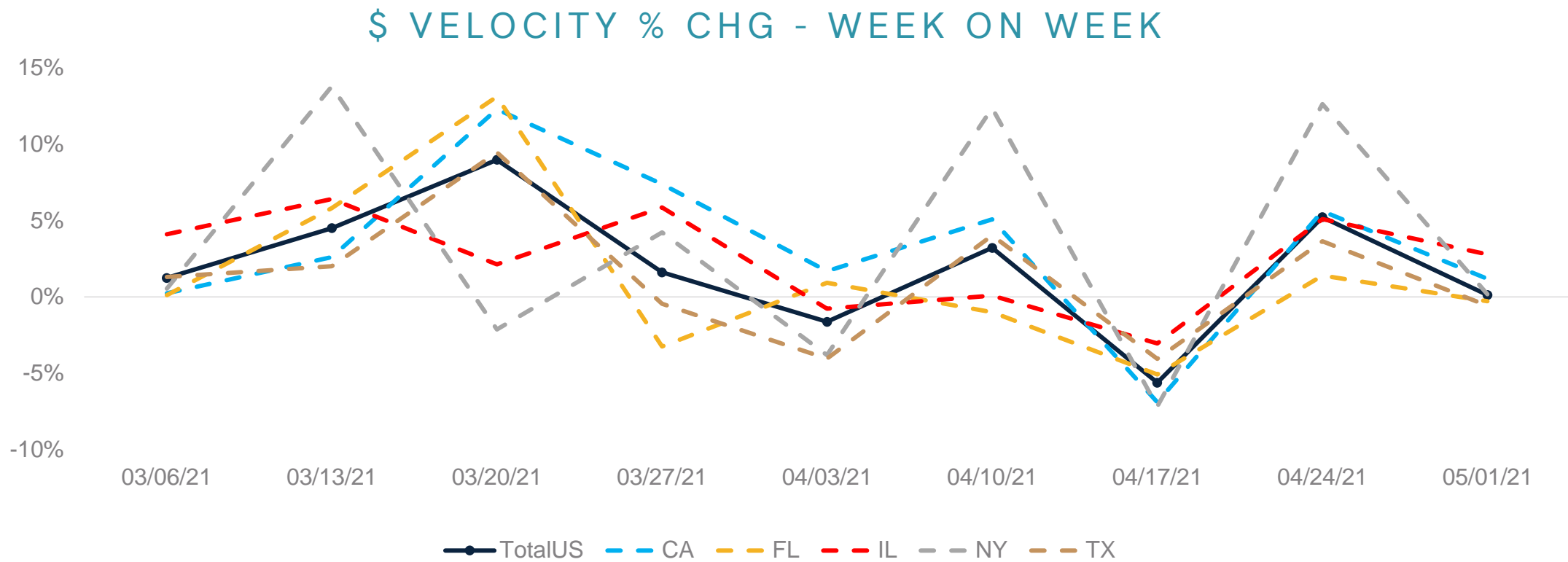
Across all states, value velocity is up compared to last year and comparable to, if not ahead of, velocities at the start of 2020.

\$ VELOCITY BY WEEK



TOTAL MARKET SALES

Following a week of strong growth for all key markets to April 24, all states are generally flat in the week to May 1, with Illinois in slight growth (+3%)



NEW YORK STATE

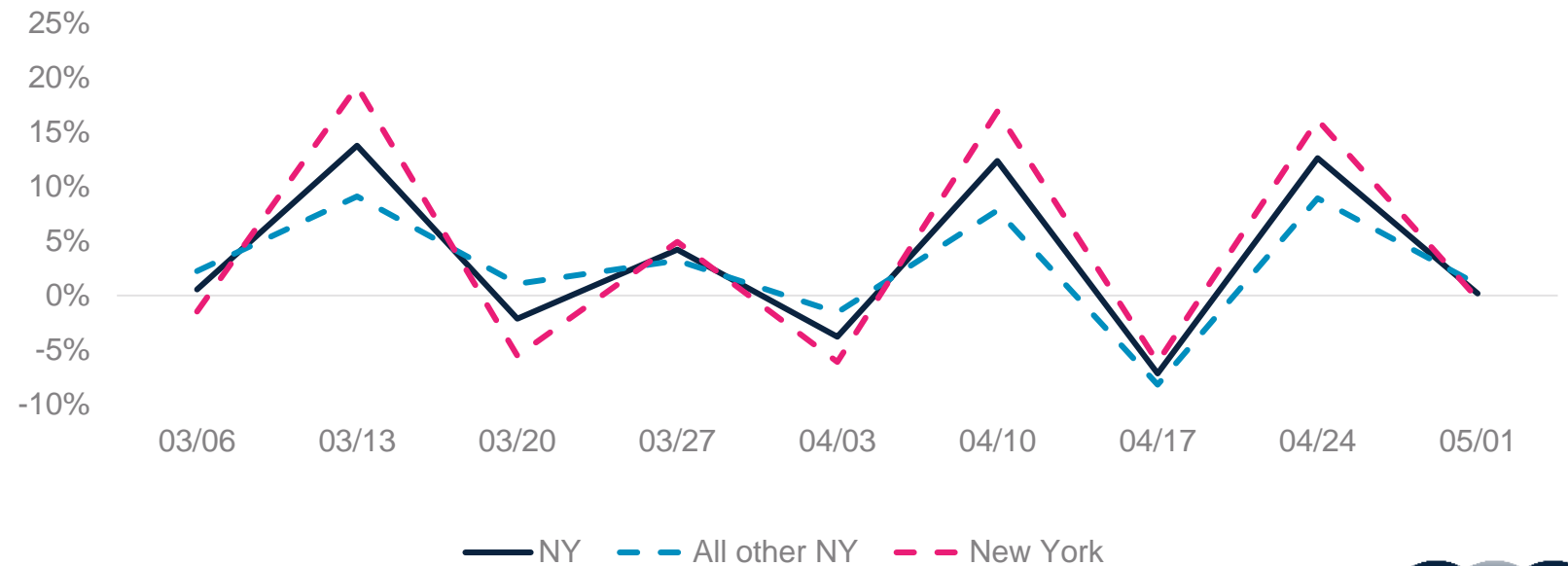
+208%

v May 2 2020

0%

v April 24 2021

\$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: BEVERAGETRAK



ILLINOIS

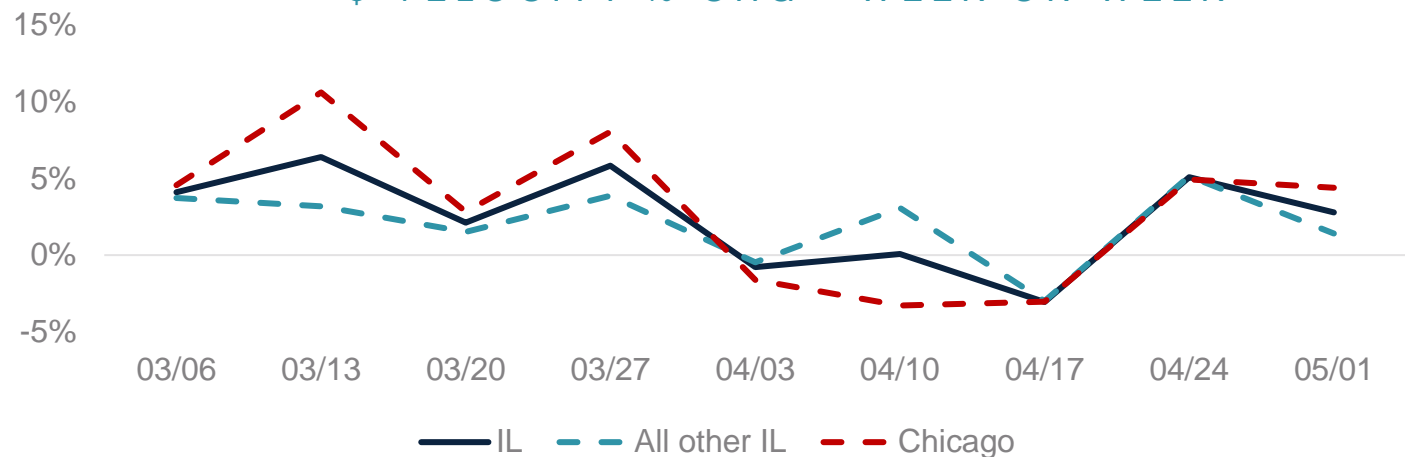
+250%

v May 2 2020

+3%

v April 24 2021

\$ VELOCITY % CHG - WEEK ON WEEK



CALIFORNIA

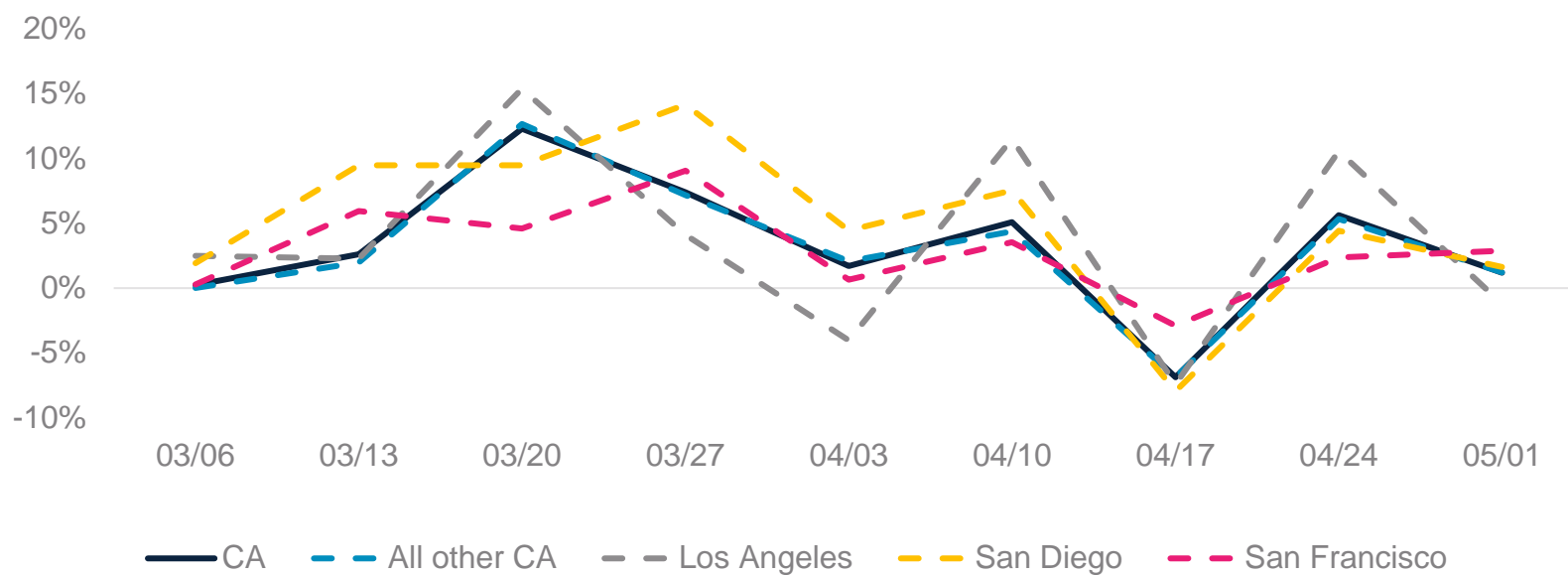
+293%

v May 2 2020

+1%

v April 24 2021

\$ VELOCITY % CHG - WEEK ON WEEK



TEXAS

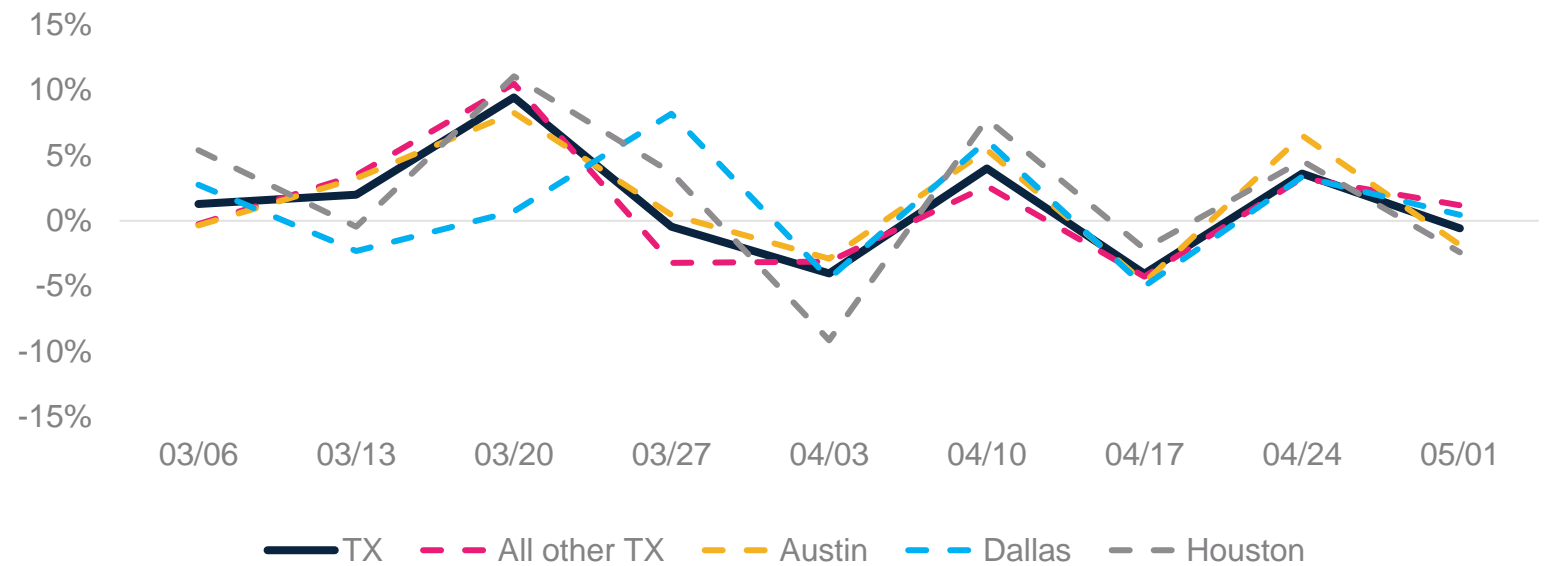
+189%

v May 2 2020

-1%

v April 24 2021

\$ VELOCITY % CHG - WEEK ON WEEK





FLORIDA

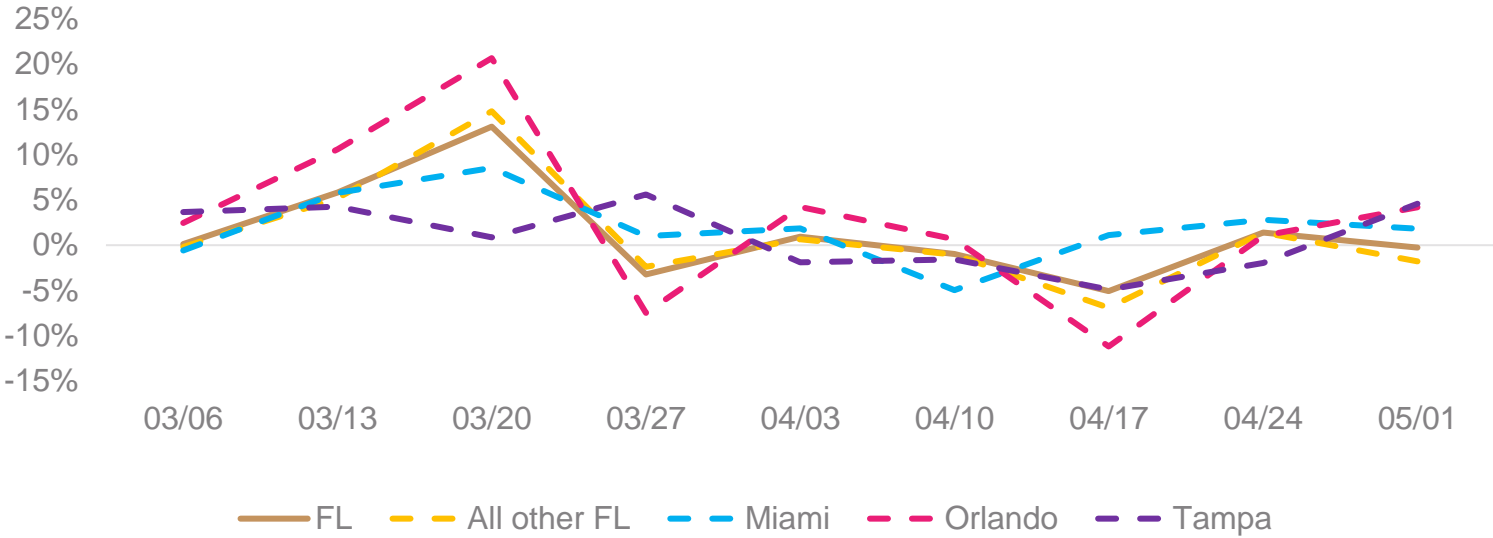
+294%

v May 2 2020

0%

v April 24 2021

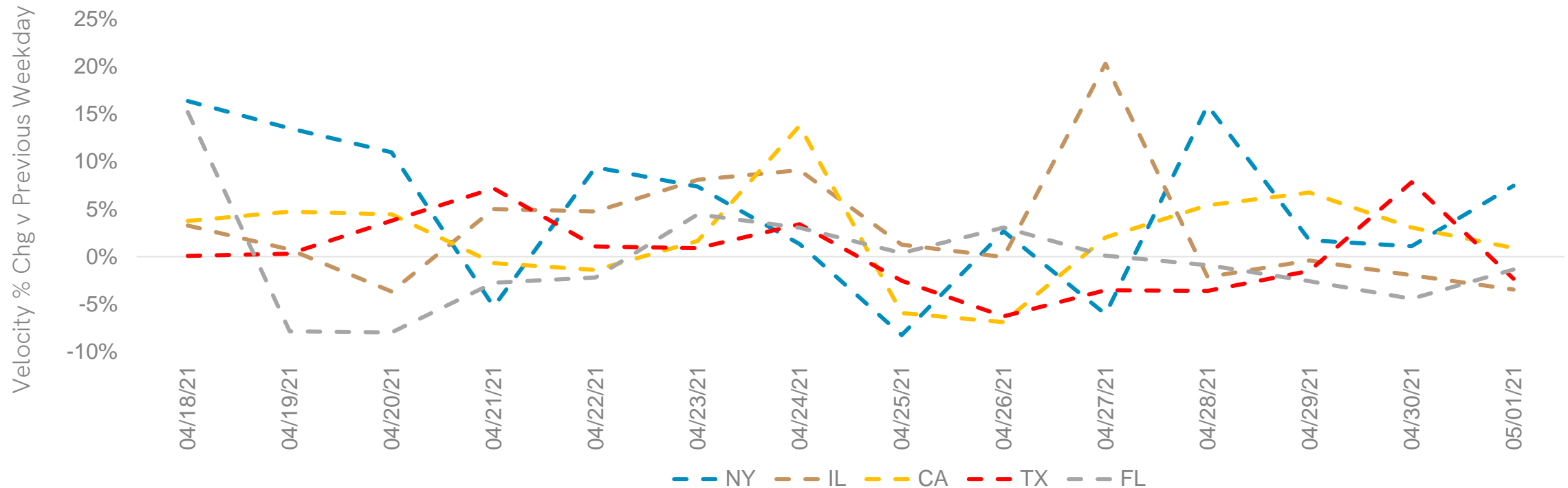
\$ VELOCITY % CHG - WEEK ON WEEK



DAILY VELOCITY

Trends across the week are erratic across the states, though all states experienced strong growth over the previous weekend.

\$ 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



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!

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

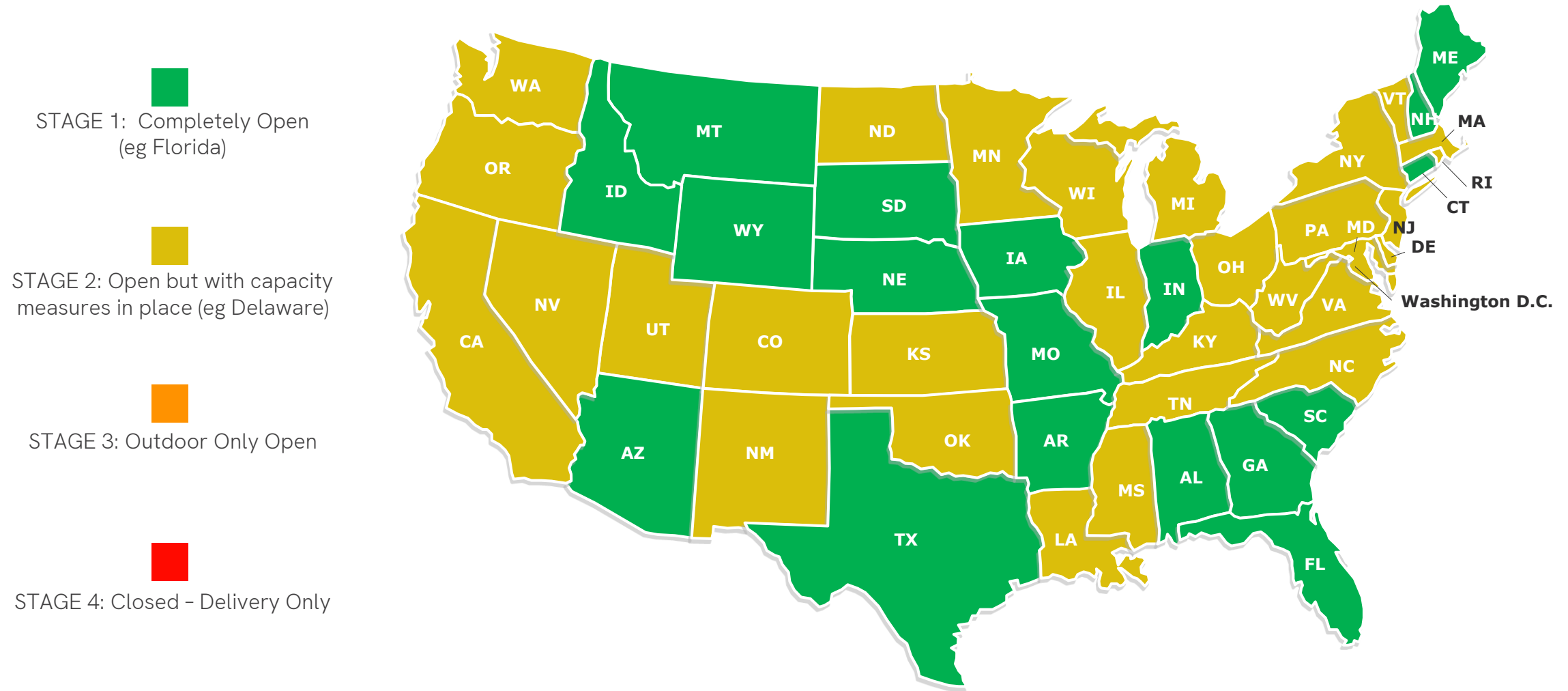
BEVERAGETRAK

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	
Week 20	5/18	5/16	
Week 21	5/25	5/23	
Week 22	6/1	5/30	
Week 23	6/8	6/6	
Week 24	6/15	6/13	
Week 25	6/22	6/20	
Week 26	6/29	6/27	

	2020	2021
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