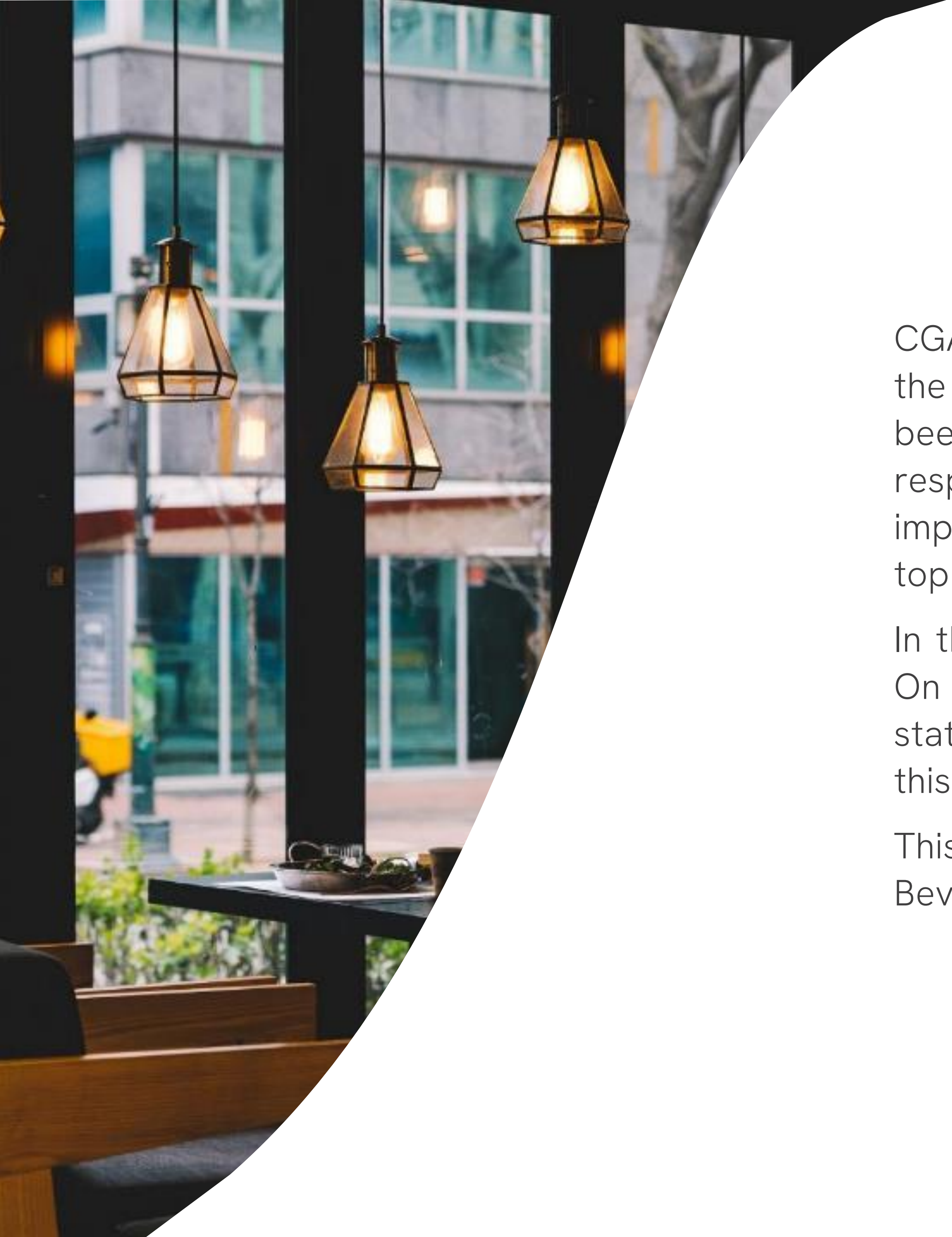
COVID-19

ON PREMISE IMPACT REPORT

CGA, July 1 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 June 26 2021.

SUMMARY

- Across the US, 100% of states have Bars and Restaurants open indoors (either completely, or with capacity measures in place).
- On Premise velocity in outlets currently trading is +68% higher than the same time last year in the week to June 26. The comparable week last year (to June 27 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, with all key states now ahead of 2019 for the first time this year.
- Average outlet $ sales (velocity) trends are positive (+4%) in the latest week (June 26 vs June 19) across the average US outlet.
- **New York** has experienced four consecutive weeks of growth, up +5% in the week to June 26. Growth over the last 2 weeks has been driven by areas outside of NYC (+9%, +10%), with NYC flattening after strong growth at the start of the month.
- After 3 weeks of strong growth, Chicago has seen negative trends for the first time since May (-5%). Growth over the rest of the state (+4%), however, means that velocity in **Illinois** as a whole remains flat in the latest week.
- **California** enters its fifth consecutive week of growth, with all cities experiencing positive trends in the latest three weeks. In the latest week trends in LA (+3%), San Diego (+2%), San Francisco (+1%) and the rest of the state (+2%) resulting in the state as a whole seeing growth (+2%)
- Positive trends in all key cities mean that **Texas** is in its third week of growth (+4%), with Dallas (+6%), Austin (+4%) and Houston (+1%), as well as growth outside the cities (+4%), driving these trends.
- After weeks of fluctuating trends, **Florida** has experienced its strongest week (+4%) since mid May, boosted by strong growth in Orlando (+11%) and Tampa (+5%), with flat trends in Miami (0%) and growth in the rest of the state (+4%).
- All key states experienced a significant boost (between +41% and +64%) on Father's Day (Sunday June 20) vs the previous Sunday, with New York also seeing generally strong trends over the past two weeks, having had 6 days of double-digit growth across that period.

SOURCE: BEVERAGETRAK

TRENDS OVER TIME

Latest week:

June 12 2021
$80,363

v 2020
+68%

v 2019
+34%

Latest 12 weeks:

June 12 2021
$748,646

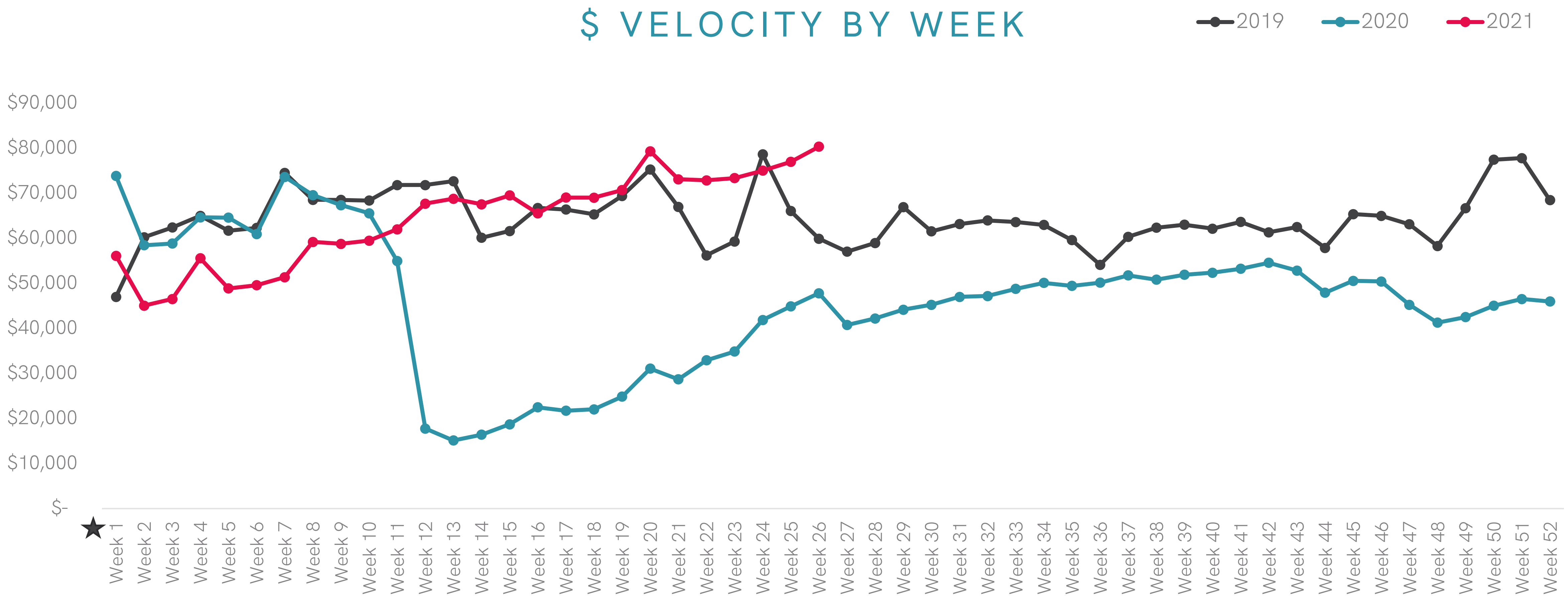
v 2020
+154%

v 2019
+26%

SOURCE: BEVERAGETRAK

TOTAL US MARKET SALES: RECAP

On Premise velocity in outlets currently trading is +68% higher than the same time last year in the week to June 26. The comparable week last year (to June 27 2020), while in recovery compared to the height of restrictions, was still lower than the same week in 2019.



★ Exact dates can be found in the appendix

SOURCE: BEVERAGETRAK

OPENING STAGES: BARS

% OF STATES IN STAGE

STAGE 1: Completely Open (Example: Florida) 92%	STAGE 2: Open but with capacity measures in place (Example: New Mexico) 8%
STAGE 3: Outdoor Only Open 0%	STAGE 4: Closed – Delivery Only 0%

*State breakdown included in appendix

OPENING STAGES: RESTAURANTS

% OF STATES IN STAGE

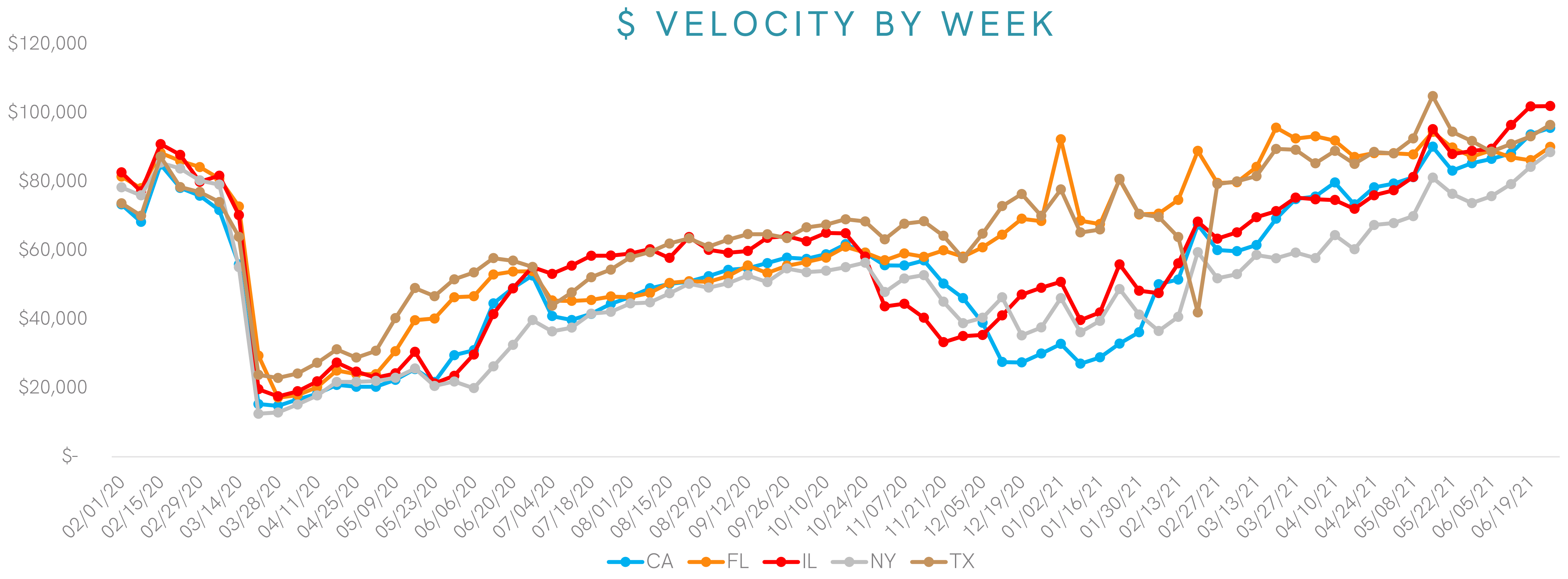
STAGE 1: Completely Open (Example: Florida) 92%	STAGE 2: Open but with capacity measures in place (Example: New Mexico) 8%
STAGE 3: Outdoor Only Open 0%	STAGE 4: Closed – Delivery Only 0%

**State breakdown included in appendix*

CGA

KEY STATE MARKET SALES: RECAP

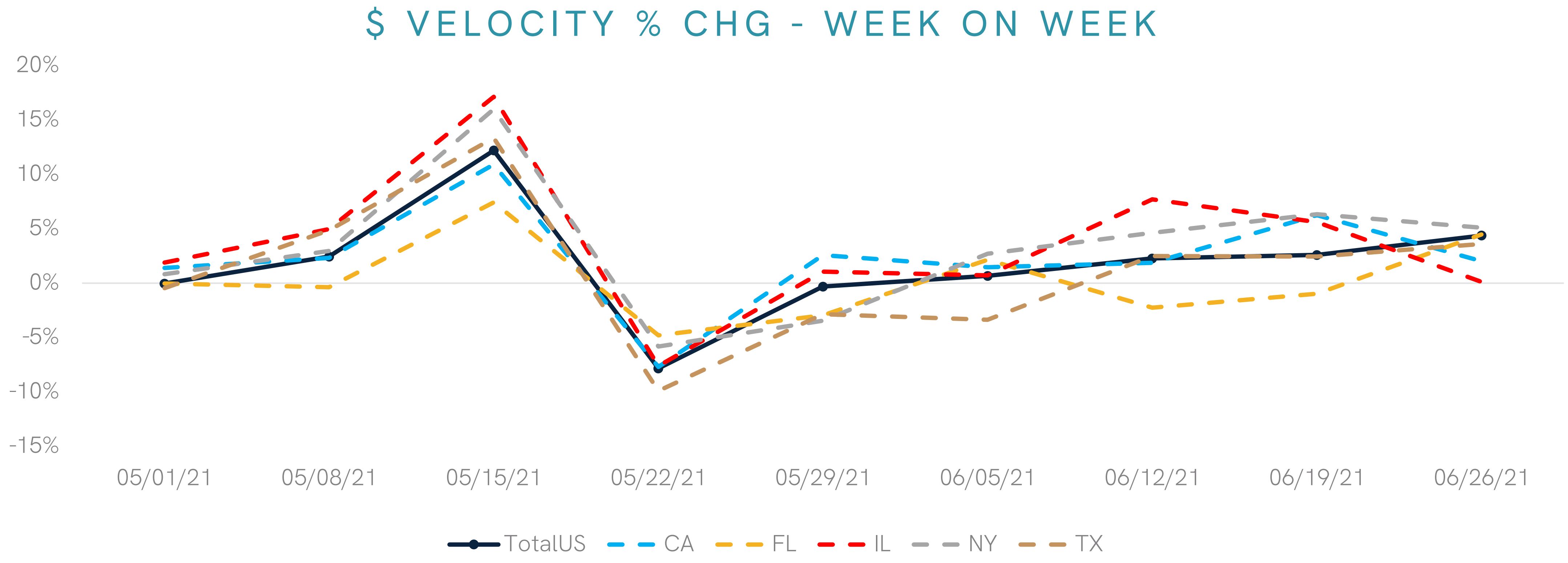
Across all states, value velocity remains strongly positive compared to last year, with all key states now ahead of the same week in 2019 for the first time this year.



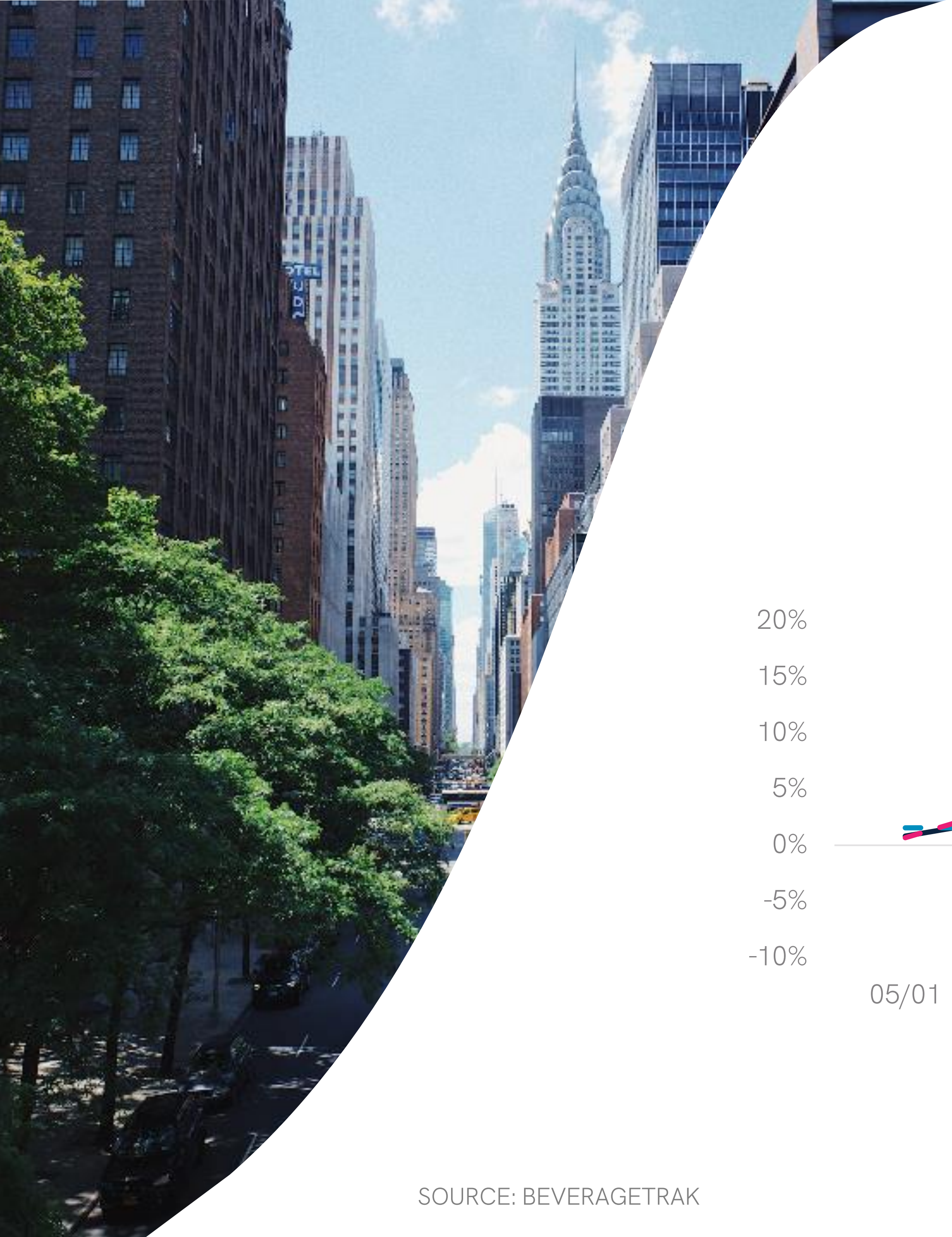
SOURCE: BEVERAGETRAK

TOTAL MARKET SALES

Total US has experienced its fourth consecutive week of growth, with all key states being positive in the latest week (to June 26)



SOURCE: BEVERAGETRAK



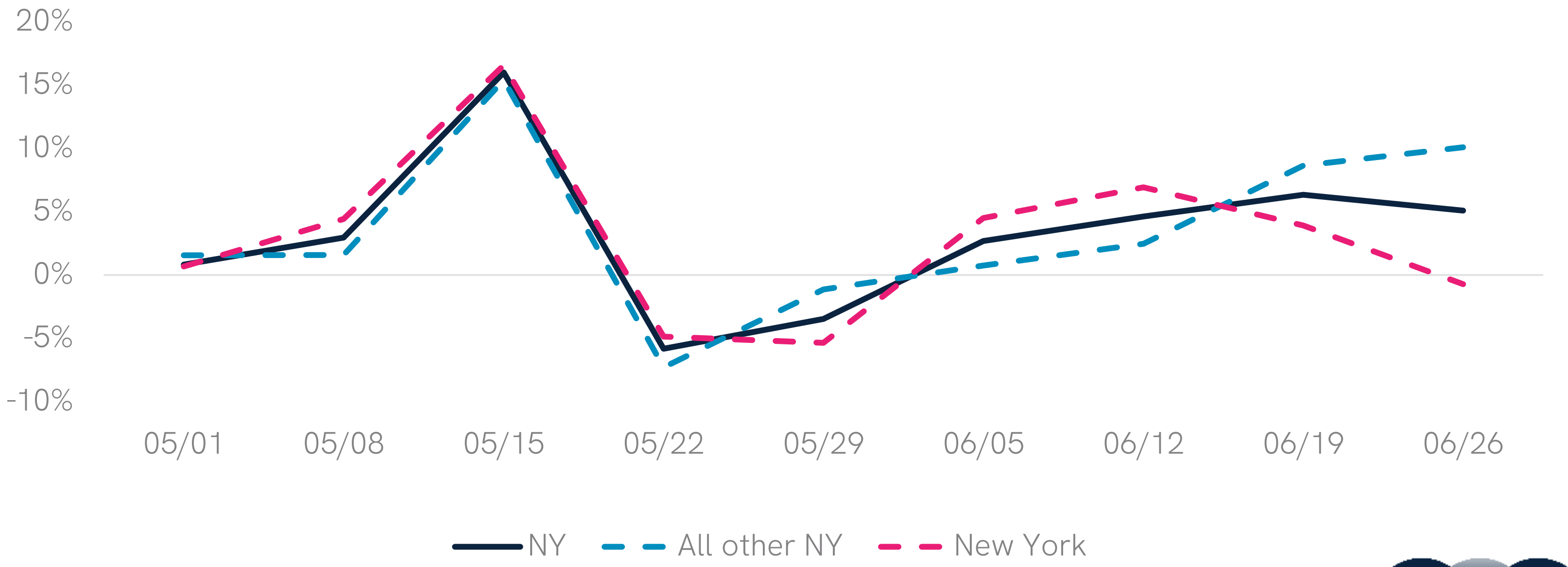
NEW YORK STATE

+3%
v June 29 2019

+123%
v June 27 2020

+5%
v June 19 2021

$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: BEVERAGETRAK

ILLINOIS

+3%

v June 29 2019

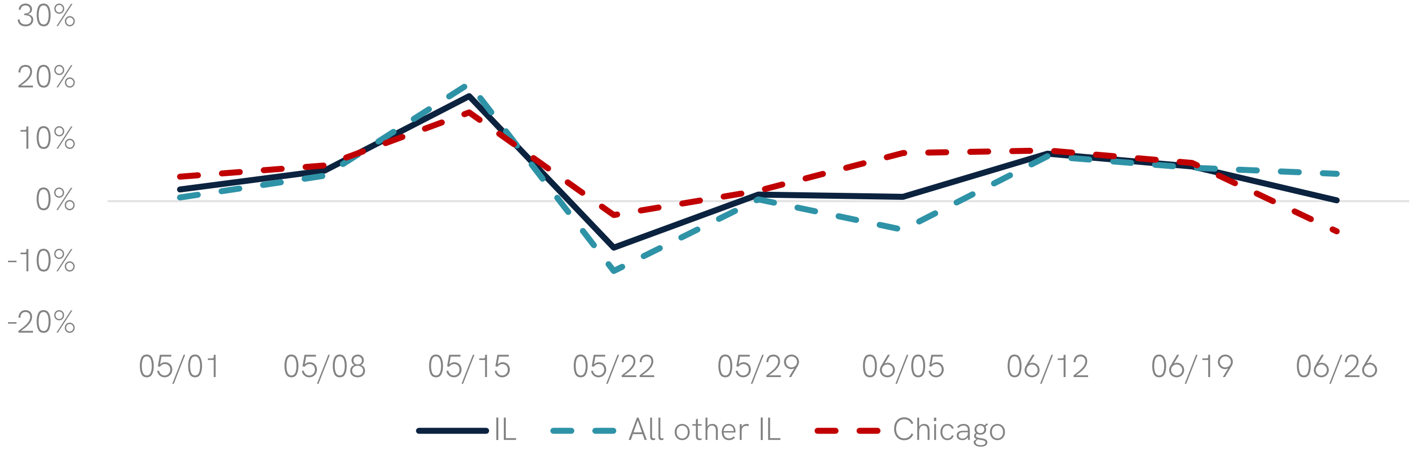
+85%

v June 27 2020

0%

v June 19 2021

$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: BEVERAGETRAK

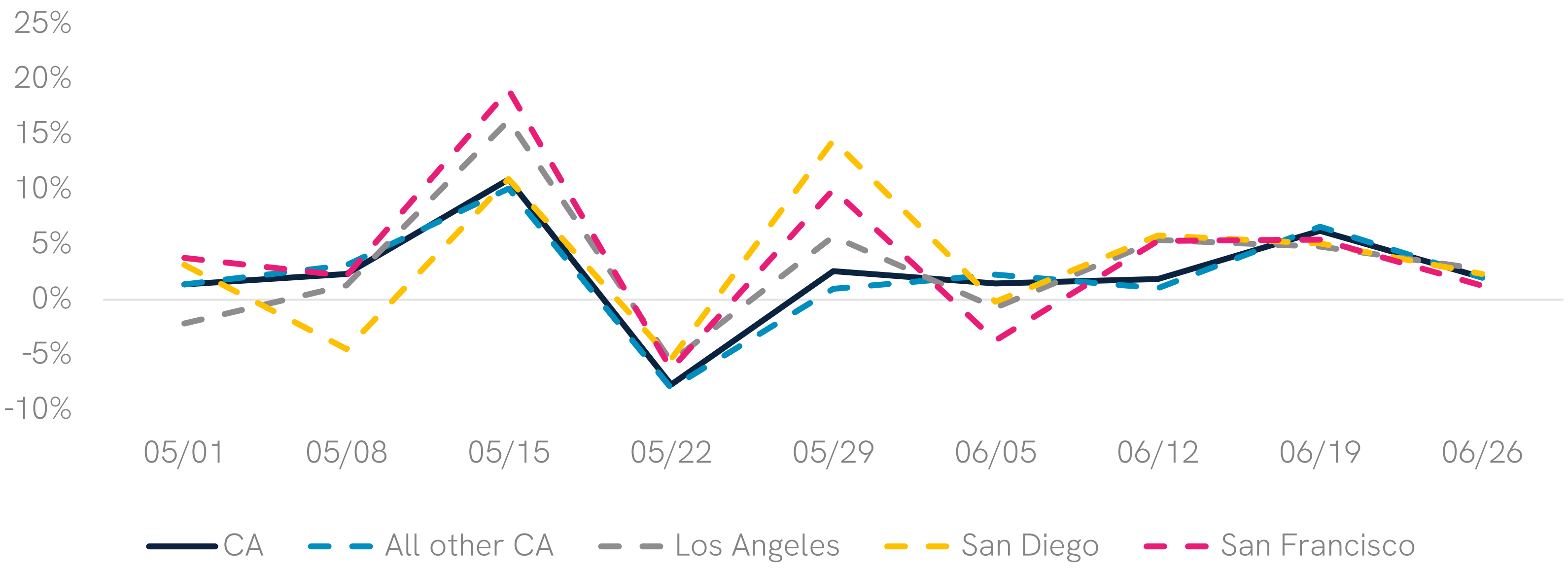
CALIFORNIA

+44% v June 29 2019

+81% v June 27 2020

+2% v June 19 2021

$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: BEVERAGETRAK

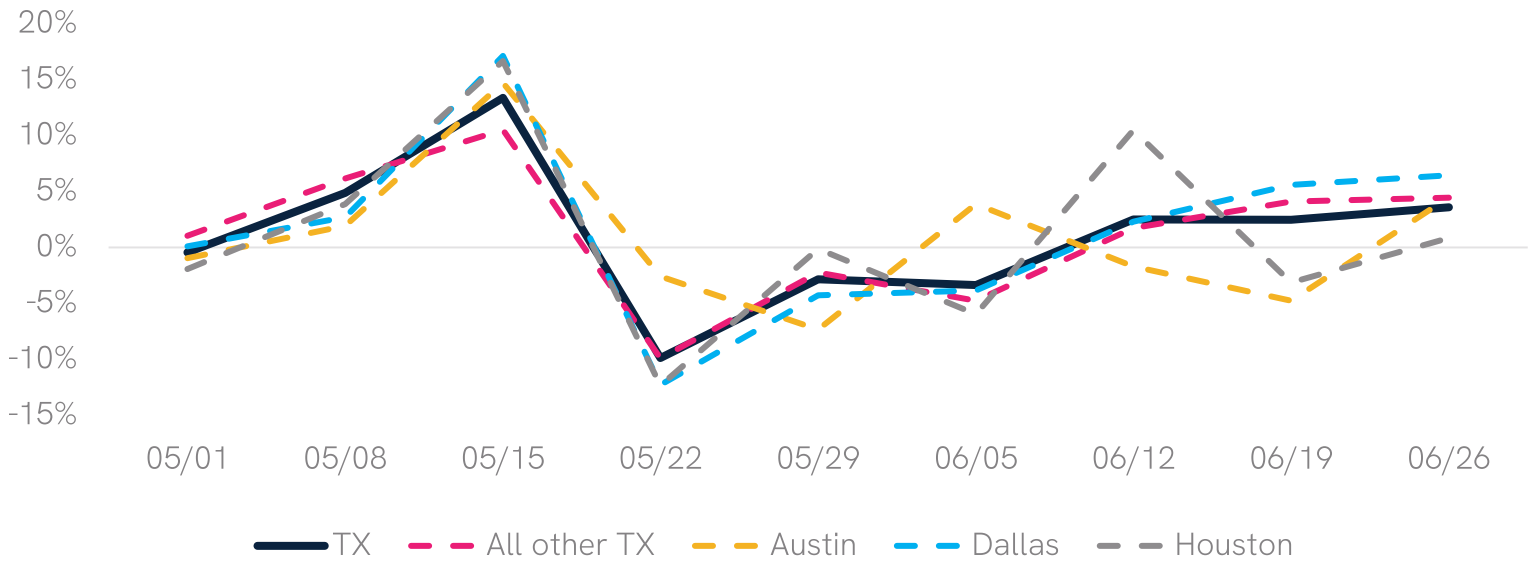
TEXAS

+54% v June 29 2019

+75% v June 27 2020

+4% v June 19 2021

$ VELOCITY % CHG - WEEK ON WEEK



SOURCE: BEVERAGETRAK

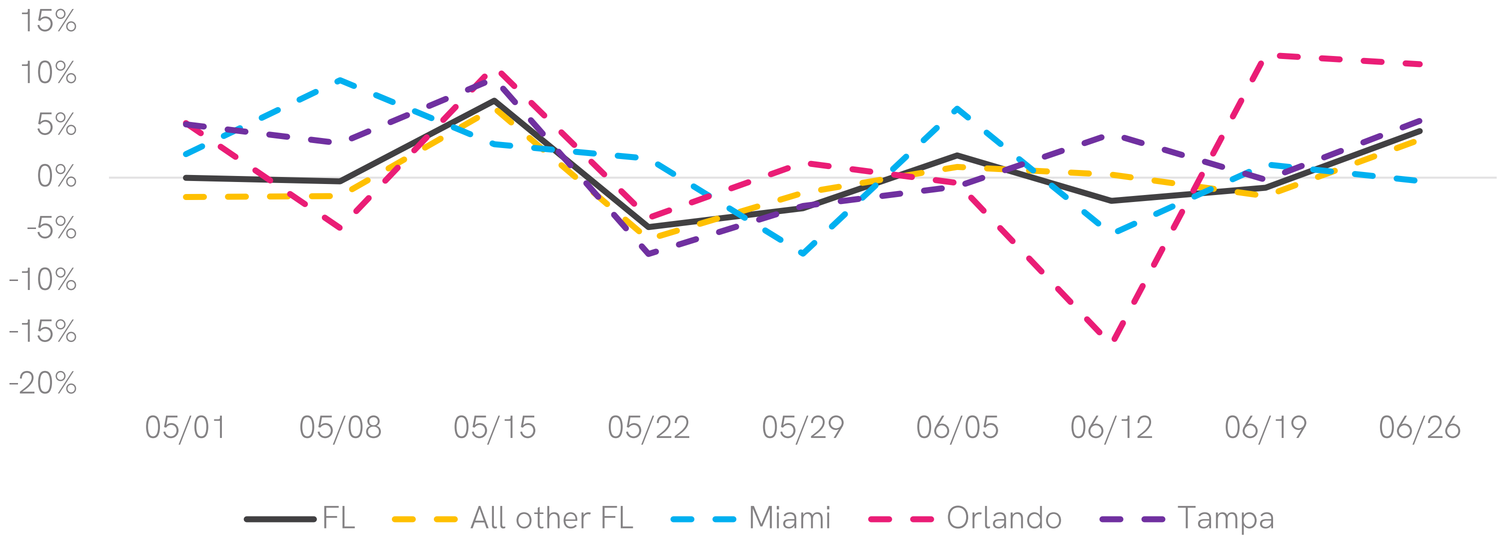
FLORIDA

+44% v June 29 2019

+67% v June 27 2020

+4% v June 19 2021

$ VELOCITY % CHG - WEEK ON WEEK



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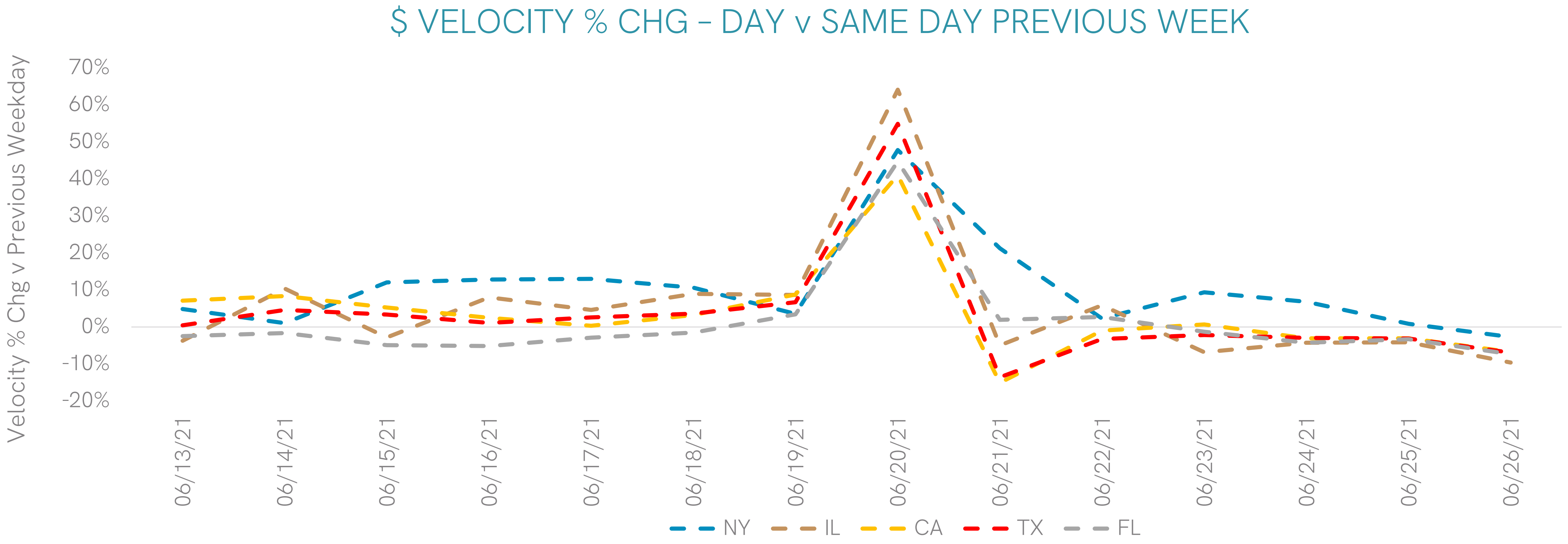
SOURCE: BEVERAGETRAK

DAILY VELOCITY

All key states experienced a significant boost (between +41% and +64%) on Father's Day (Sunday June 20) vs the previous Sunday, with New York also seeing generally strong trends over the past two weeks, having had 6 days of double-digit growth across that period.



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

SOURCE: BEVERAGETRAK

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

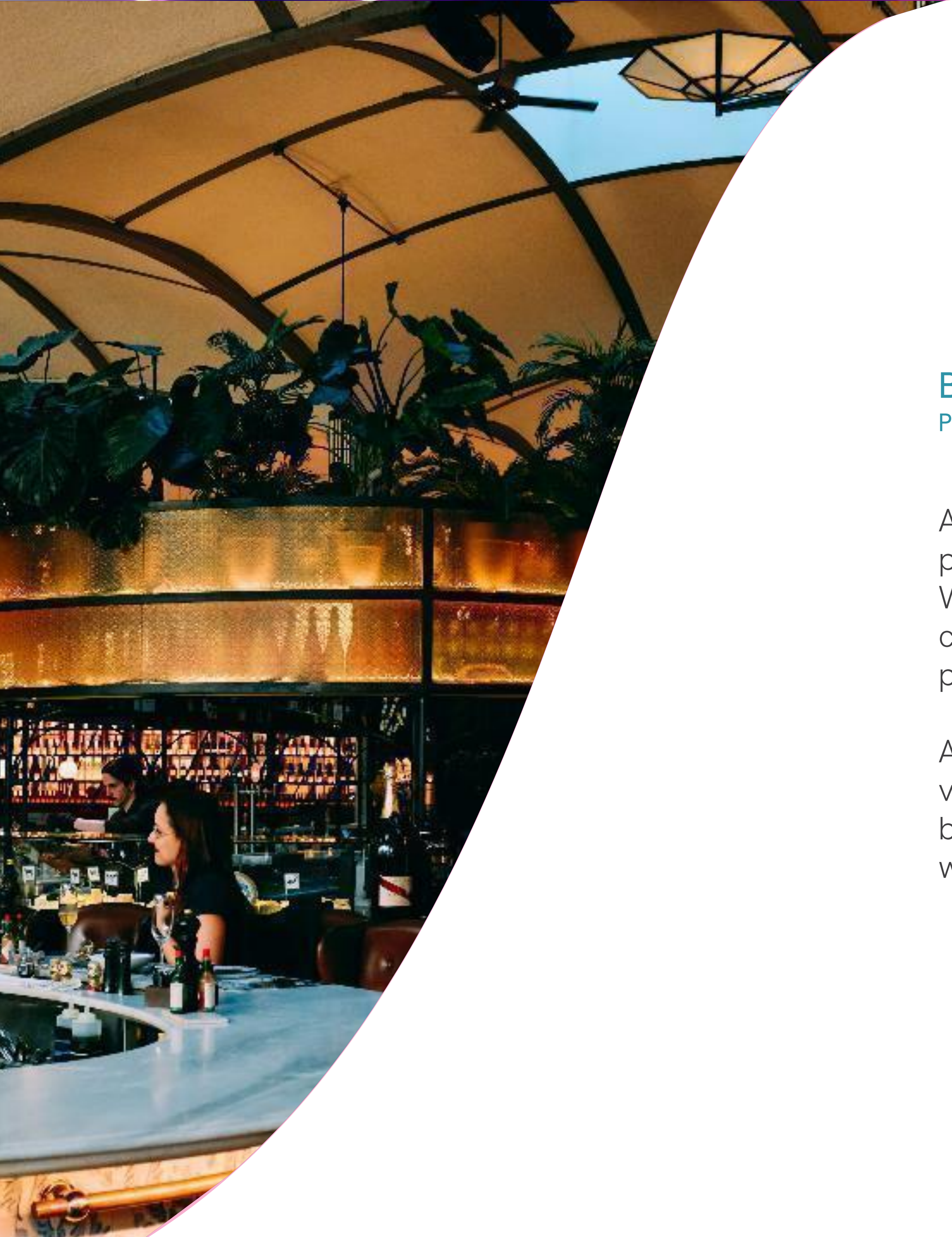
Tracking & responding to low level, sub-market, sales performance is now crucial

PurchaseTrak

An On Premise tracking tool designed for regional sale teams

Operator Solutions

Did you know that NCGA has an entire Operator division?



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

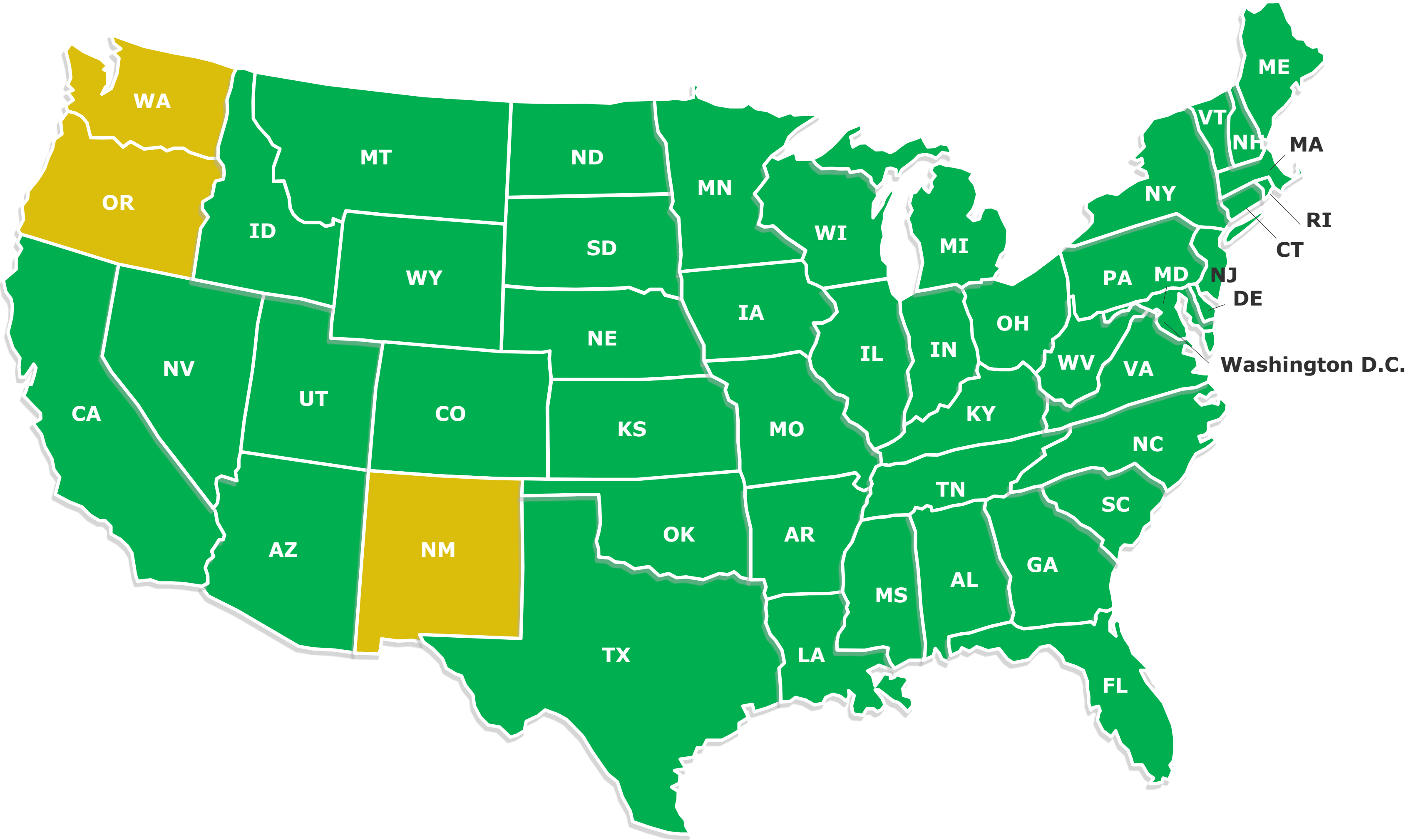
OPENING STAGES: RESTAURANTS

STAGE 1: Completely Open (eg Florida)

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

STAGE 3: Outdoor Only Open

STAGE 4: Closed – Delivery Only



OPENING STAGES: BARS

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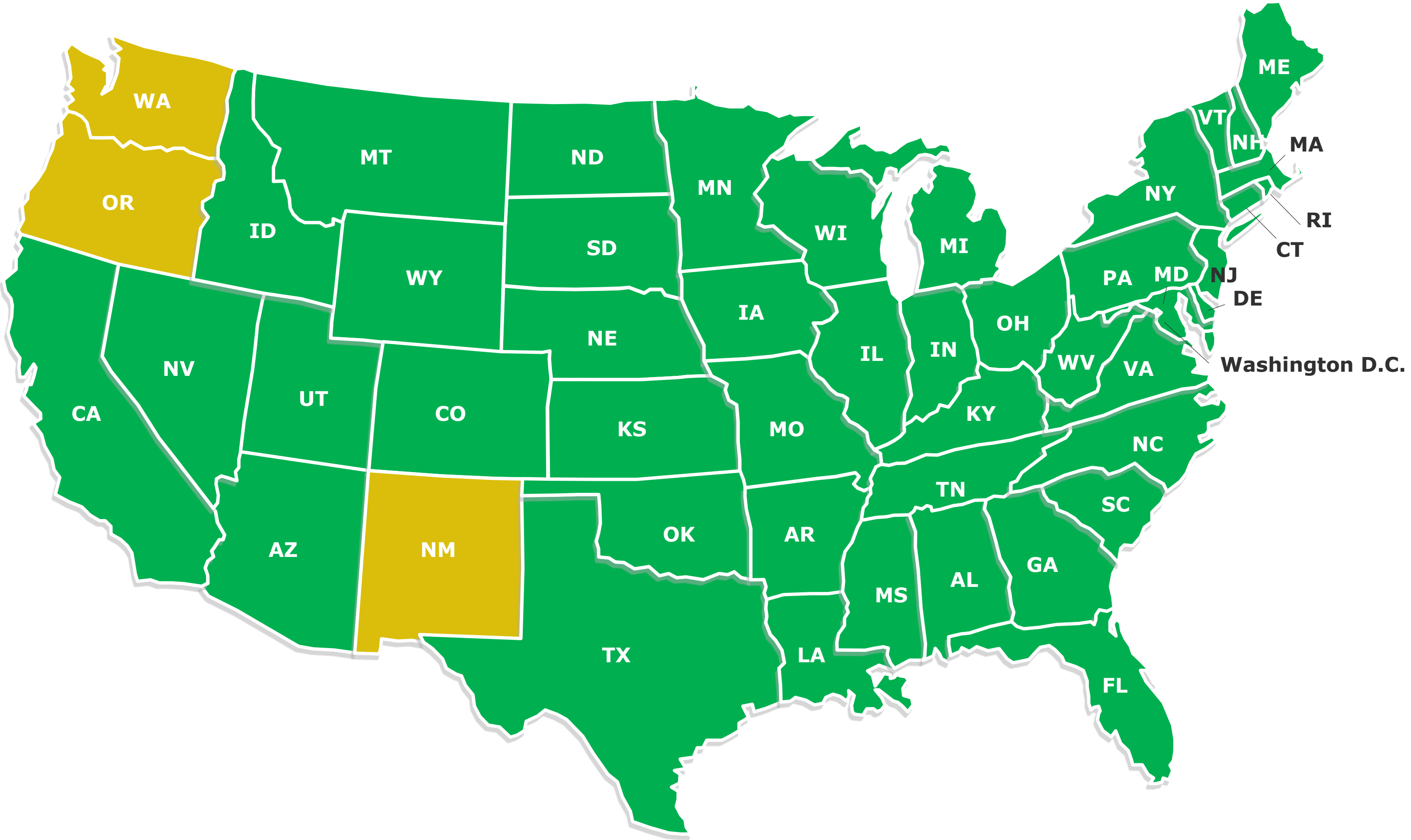

WEEK ENDINGS

	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	6/5
Week 24	6/15	6/13	6/12
Week 25	6/22	6/20	6/19
Week 26	6/29	6/27	6/26

	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

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