

COVID-19

ON PREMISE IMPACT REPORT

CGA, August 12 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 August 7 2021.

SUMMARY

- Across the US, **all** states have Bars and Restaurants open indoors completely (with no capacity restrictions).
- On Premise velocity in outlets currently trading is **+60%** higher than the same time last year in the week to August 7. The comparable week in 2020 (to August 8), while in recovery compared to the height of restrictions, was still lower than the same week in 2019.
- Average outlet \$ sales (velocity) trends have leveled off in the latest 2 weeks following months of growth, with velocity still in line with levels seen in mid-July, velocity remains strong vs 2019 (**+18%**)
- After trends of **-4%** in the week to July 31, **New York** is flat in the latest week (to August 7), with both the city and the rest of the state performing similarly.
- Following four consecutive weeks of growth, **Illinois** is down **-3%** in the latest week, driven by both Chicago and the rest of the state.
- In **California**, negative trends in San Diego (**-5%**) and Los Angeles (**-1%**) result in week-on-week declines of **-1%** for the state, although San Francisco is slightly positive in the latest week (**+1%**).
- The last two weeks in **Texas** has seen negative trends (**-4%**) to July 31 followed by flat trends in the latest week, with both Houston (**+2%**) and Austin (**+1%**) positive in the week to August 7.
- **Florida** has seen the biggest declines of the key states in recent weeks, down **-3%** and **-4%** over the last two weeks respectively, although it is still one of the best performing states vs 2019 (**+21%**).
- Daily velocities have fluctuated between **-11%** and **+8%** in the latest weeks, with the key states experiencing flat or slightly negative trends for the most part as growth in the country levels off.

TRENDS OVER TIME

Latest week:

August 7 2021

\$75,304

v 2020

+60%

v 2019

+18%

Latest 12 weeks:

August 7 2021

\$864,116

v 2020

+101%

v 2019

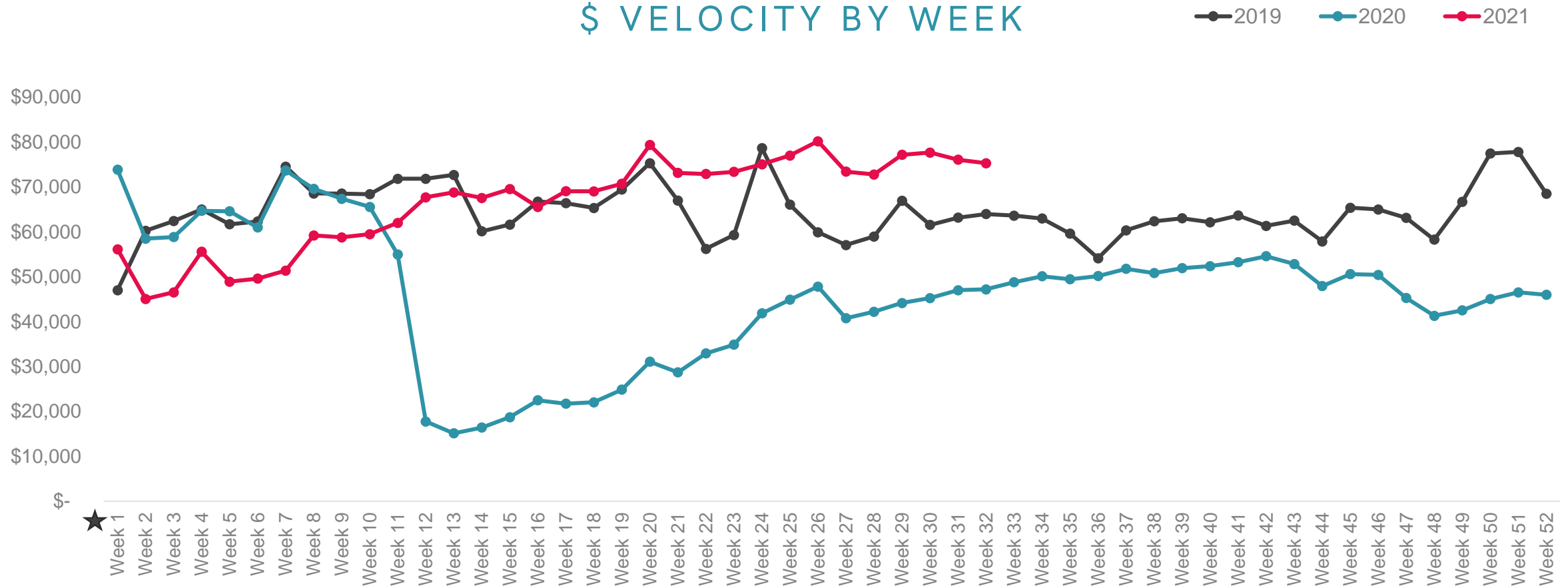
+46%



TOTAL US MARKET SALES: RECAP

On Premise velocity in outlets currently trading is +60% higher than the same time last year in the week to August 7. The comparable week in 2020 (to August 8), while in recovery compared to the height of restrictions, was still lower than the same week in 2019.

\$ VELOCITY BY WEEK



★ Exact dates can be found in the appendix



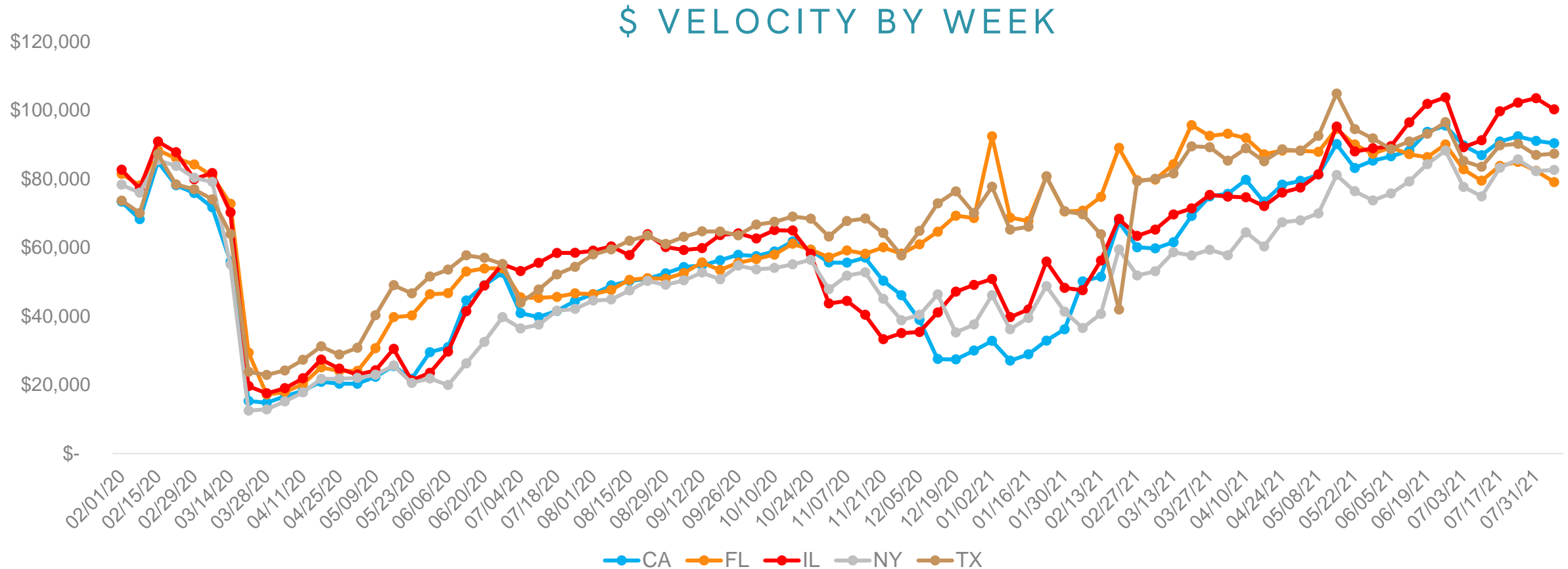
OPENING STAGES

100%

OF STATES ARE NOW
OPEN WITHOUT
CAPACITY
RESTRICTIONS IN BARS
AND RESTAURANTS

KEY STATE MARKET SALES: RECAP

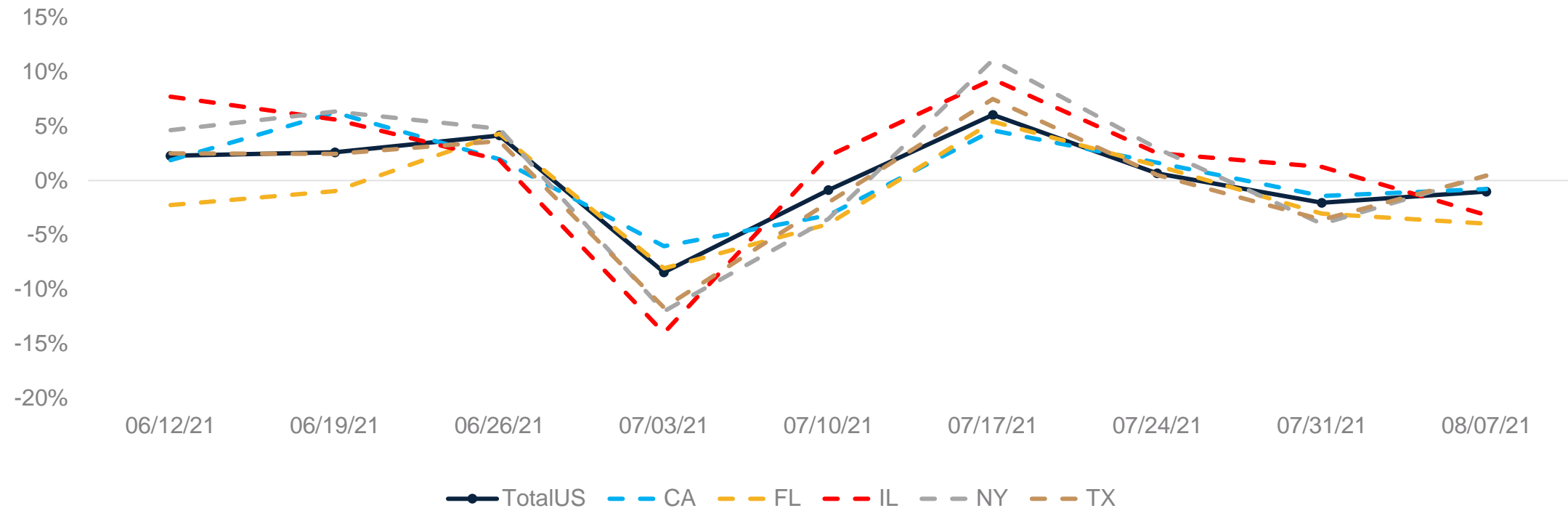
Across all states, value velocity remains strongly positive compared to last year, with all key states ahead of 2019.



TOTAL MARKET SALES

All key states have experienced flat or slightly negative trends in the last two weeks, as recent growth in the US levels off.

\$ VELOCITY % CHG - WEEK ON WEEK



NEW YORK STATE

+1%

v August 10 2019

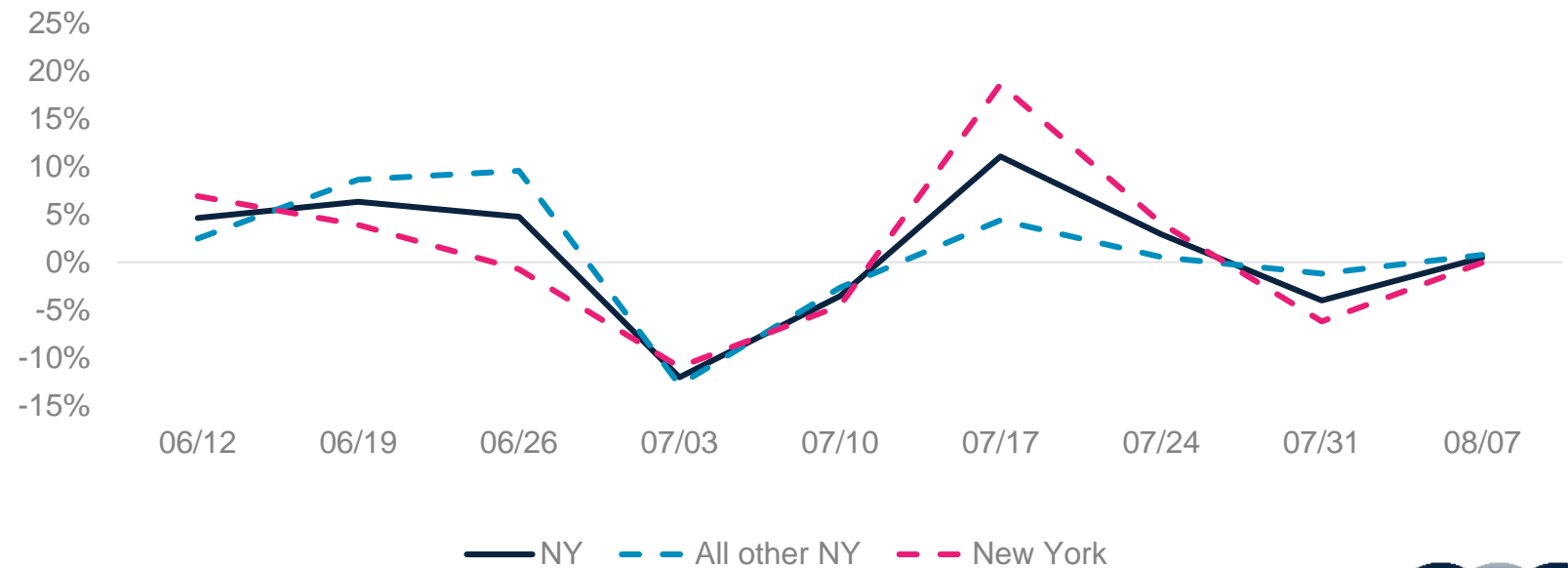
+84%

v August 8 2020

0%

v July 31 2021

\$ VELOCITY % CHG - WEEK ON WEEK



ILLINOIS

+3%

v August 10 2019

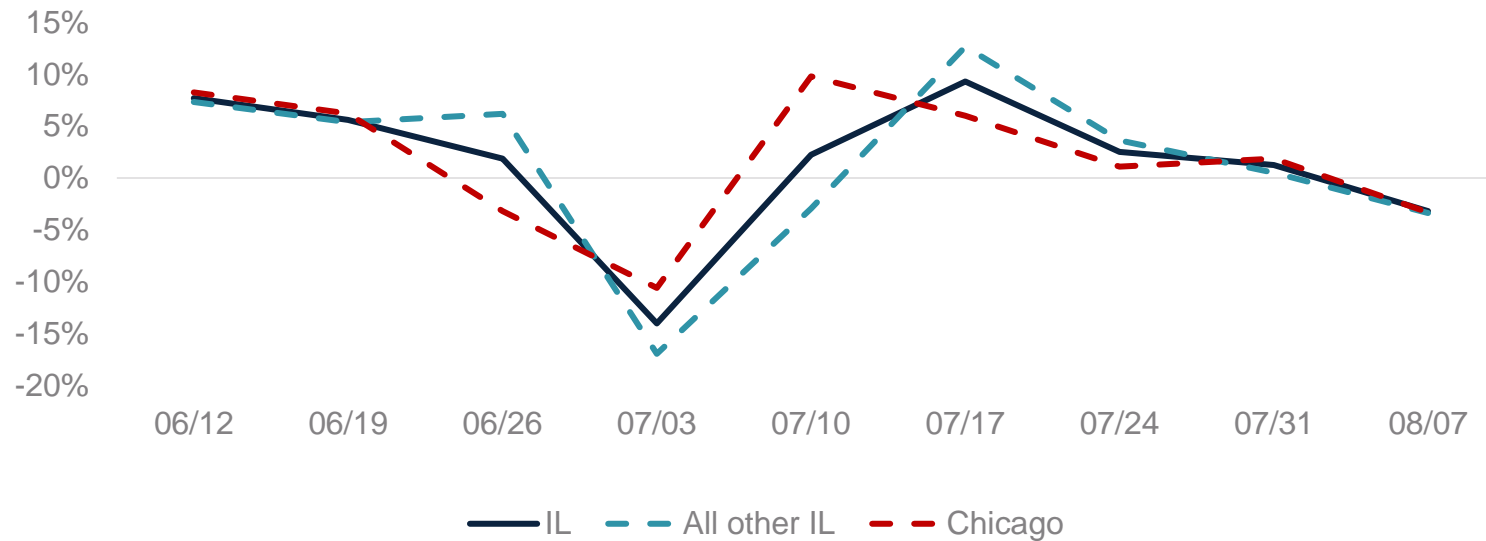
+66%

v August 8 2020

-3%

v July 31 2021

\$ VELOCITY % CHG - WEEK ON WEEK



CALIFORNIA

+20%

v August 10 2019

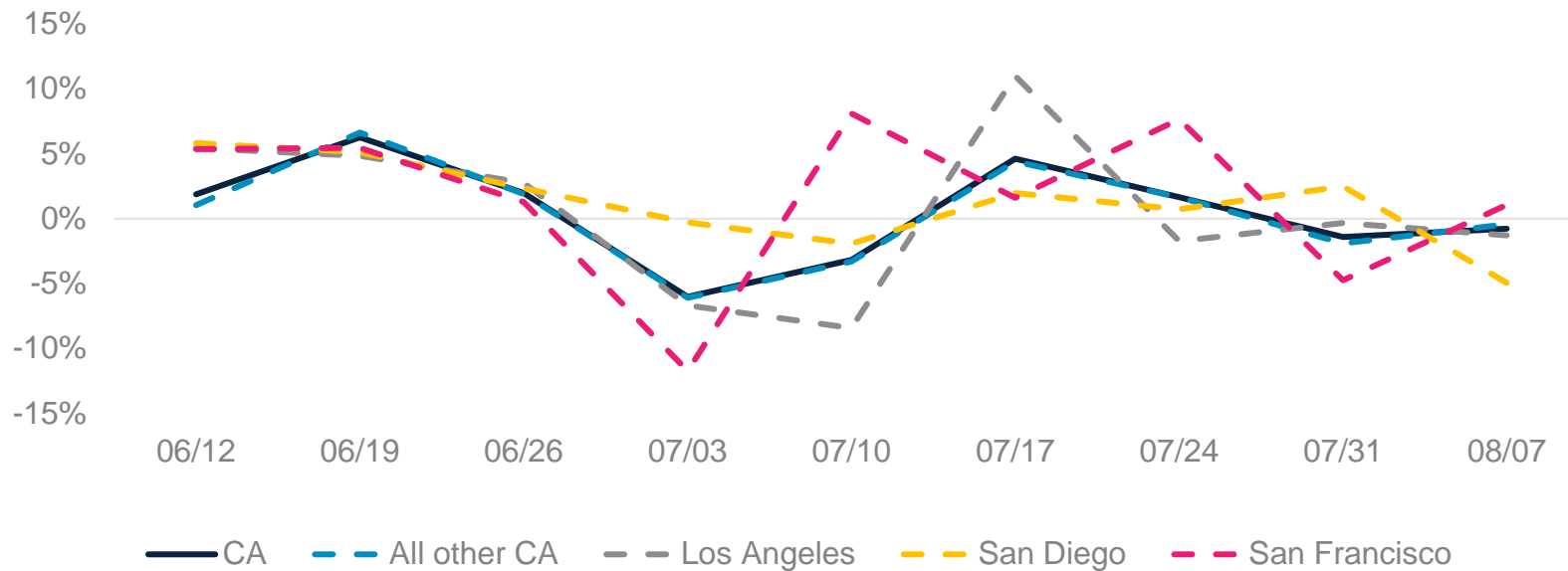
+85%

v August 8 2020

-1%

v July 31 2021

\$ VELOCITY % CHG - WEEK ON WEEK



TEXAS

+25%

+47%

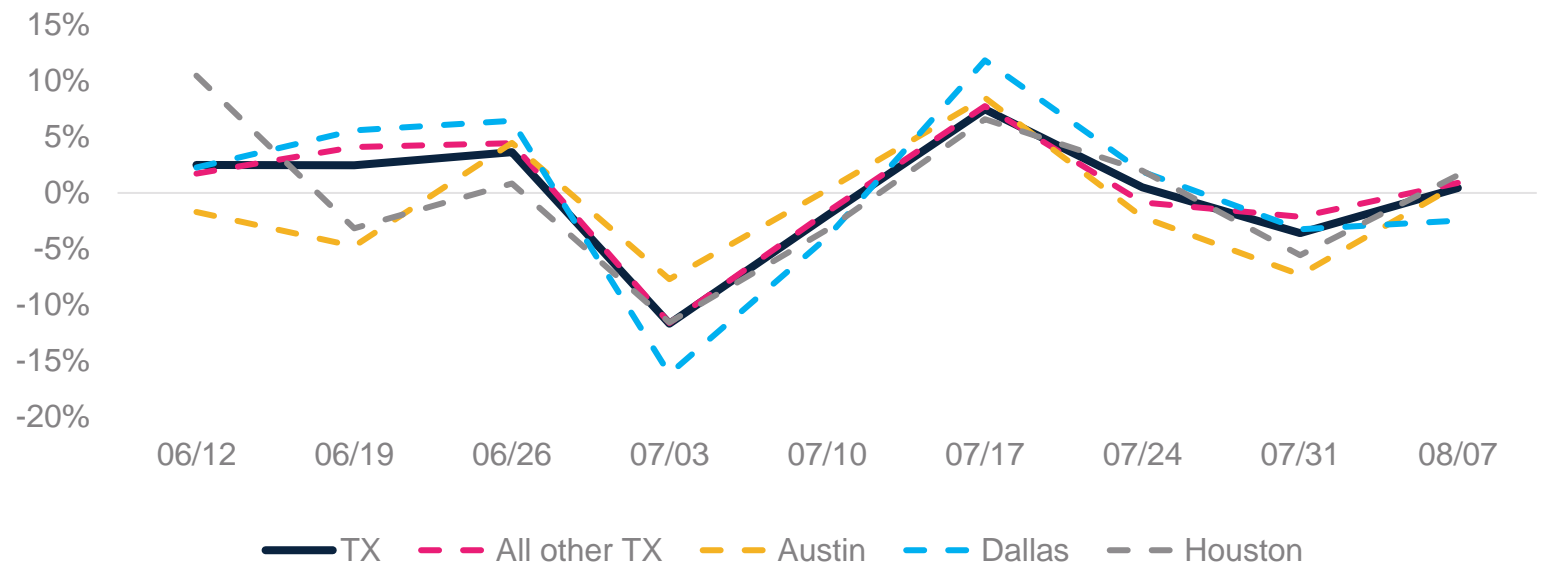
0%

v August 10 2019

v August 8 2020

v July 31 2021

\$ VELOCITY % CHG - WEEK ON WEEK



FLORIDA

+21%

v August 10 2019

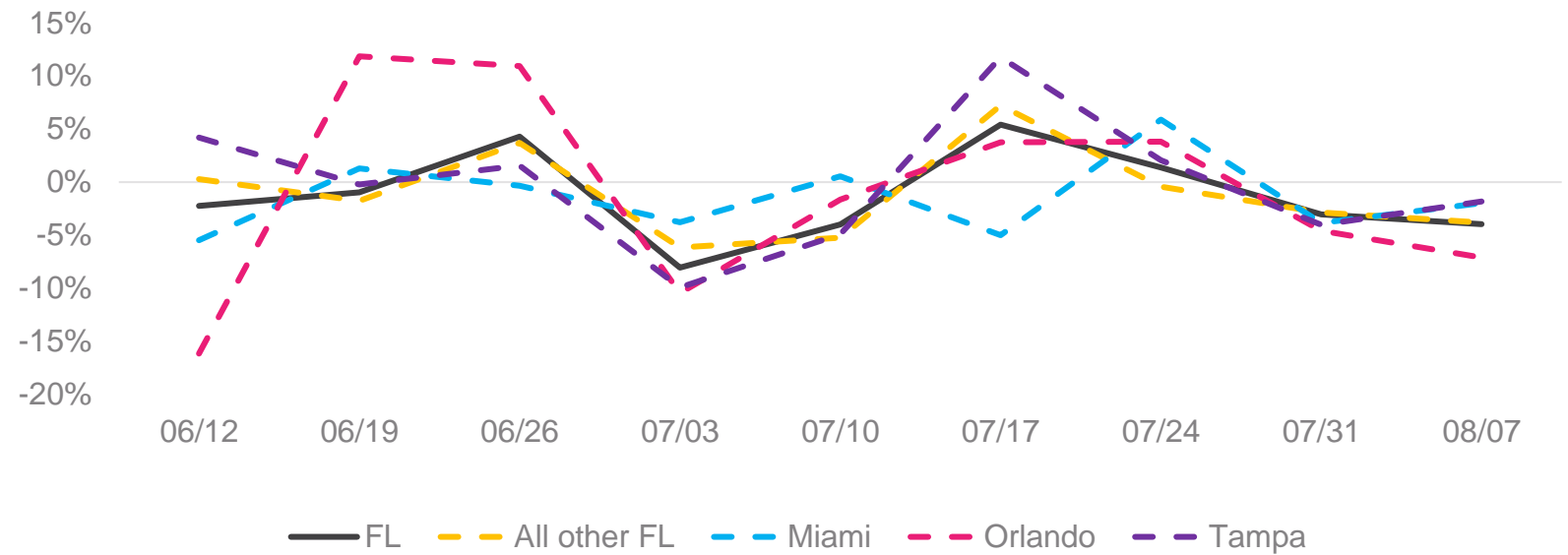
+66%

v August 8 2020

-4%

v July 31 2021

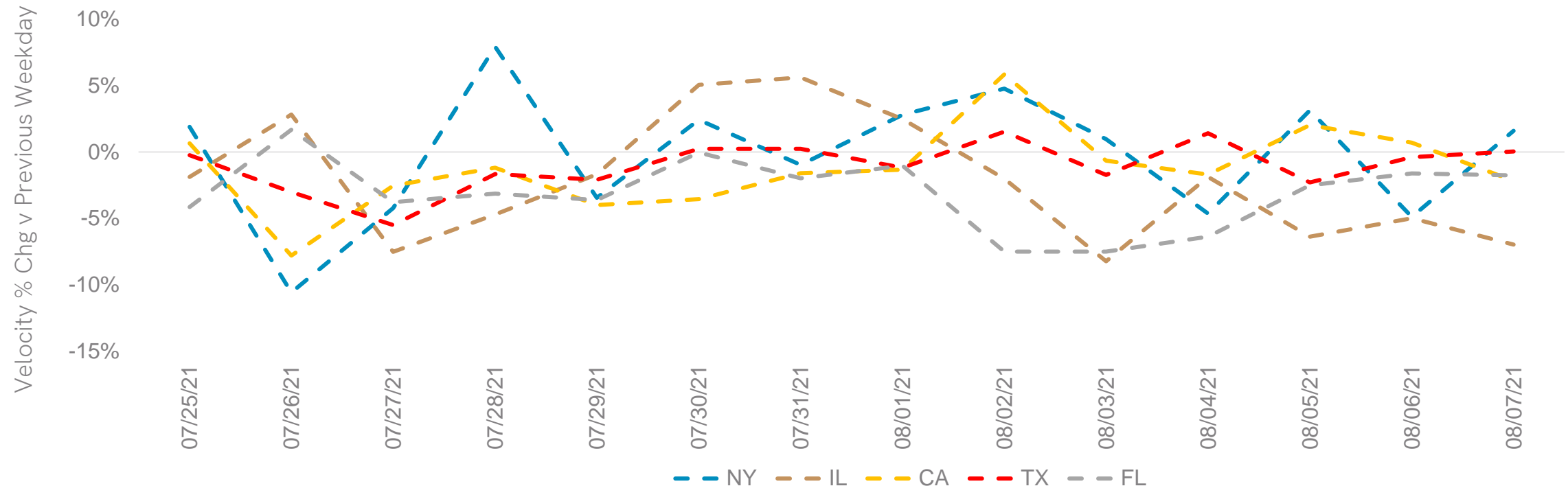
\$ VELOCITY % CHG - WEEK ON WEEK



DAILY VELOCITY

Daily velocities have fluctuated between -11% and +8% in the latest weeks, with the key states experiencing flat or slightly negative trends for the most part as growth in the country levels off.

\$ 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.



NEW CGA SERVICES

Essential tools to help you navigate the new On Premise reality

Consumer Segmentation



Strategically and effectively target drinkers with messaging and offerings that relate to them, ensuring \$ are spent more effectively on brand building, activations and with national accounts

Path to Purchase



Ensuring you are investing your On Premise budget in the areas with the most influence to drive sales following shifts in On Premise behaviors due to COVID-19

Drink Assortment Tool



A tool enabling teams working with/in national accounts to showcase the optimal drink range for their outlet and highlight where brands should be placed to achieve highest sales and increase customer satisfaction

BeverageTrak



Tracking & responding to low level, sub-market, sales performance is now crucial. Show how valuable your brand is by Day & Day Part

Marketing Effectiveness



Analyze and understand the impact of On premise activation and promotion on sales, recommend the most effective promotional activity to grow.

Stocking Solutions



Test theories you have about the benefits of certain stocking scenarios or quantify a lost opportunity when products or formats are not stocked together.





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

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	2021
Week 27	7/6	7/4	7/3
Week 28	7/13	7/11	7/10
Week 29	7/20	7/18	7/17
Week 30	7/27	7/25	7/24
Week 31	8/3	8/1	7/31
Week 32	8/10	8/8	8/7
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	