2020 ALCOHOL TRENDS AND HOLIDAY PREVIEW

WEDNESDAY, NOVEMBER 18, 2020
MICHELLE KORSMO
PRESIDENT AND CEO
WINE & SPIRITS WHOLESALERS OF AMERICA
SPIRITS AND WINE CONTINUE TO GAIN MOMENTUM

12 Month Rolling % Change vs. LY

Dec  | Jan  | Feb  | Mar  | Apr  | May  | Jun  | Jul  | Aug  | Sep  | Total
--- | --- | --- | --- | --- | --- | --- | --- | --- | --- | ---
0.0% | 3.1% | 2.9% | 2.6% | 3.2% | 3.0% | 2.9% | 3.3% | 4.3% | 4.6% | 5.3%
-0.2% | -0.3% | -0.6% | 0.5% | 0.5% | 0.4% | 1.0% | 1.7% | 2.0% | 2.4% | 0.1%
-2.6% | -2.9% | -3.1% | -1.7% | -1.5% | -1.6% | -0.9% | -0.4% | -0.1% | 0.1% |
THE IMPACT OF SHELTER IN PLACE EVIDENT IN ON-PREMISE TRENDS

**Spirits**

- Q-4 2019: 2.3%
- Q-1 2020: 4.4%
- Q-2 2020: 9.0%
- Q-3 2020: 13.6%

**Wine**

- Q-4 2019: -2.1%
- Q-1 2020: -0.9%
- Q-2 2020: 3.2%
- Q-3 2020: 0.1%

12 Month Rolling % Change vs. LY
THE CONSUMER ISN’T READY!

How soon from now would you be comfortable...

[November 4 to November 10, 2020]

[ + or - x% = percentage point difference from last week’s reading ]

- Going back to work (among workers)
  - 3,479 responses
  - 63% (5%)
  - 15% (2%)
  - 22% (+2%)

- Shopping in stores (non-grocery)
  - 6,361 responses
  - 56% (-2%)
  - 19% (4%)
  - 25% (-2%)

- Eating out at restaurants
  - 6,554 responses
  - 42% (-5%)
  - 24% (+6%)
  - 34% (-1%)

- Going on vacation / traveling
  - 10,244 responses
  - 50% (3%)
  - 30% (+3%)
  - 20% (-1%)

- Attending a large public event
  - 6,136 responses
  - 57% (+2%)
  - 23% (23%)
  - 20% (20%)

All responses weighted by U.S. Census 18+
Survey Dates: 11/4/2020 to 11/10/2020
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WINE SHARE BY PREMISE

12 Month Rolling % Change vs. LY & Internal Projections

2020 Actual

Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sept | Oct | Nov | Dec
14.8% | 14.8% | 14.8% | 14.0% | 12.6% | 11.6% | 10.9% | 10.2% | 9.7% | 9.2% | 8.5% | 8.0% | 7.4%

COVID-19

2020 Projected

On-Premise

Off-Premise

100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%

12 Month Rolling % Change vs. LY & Internal Projections
REGIONAL DIFFERENCES EVIDENT

12-Month Rolling On-Premise Percentage Point Change From Previous Month Wine & Spirits Combined

- March: -3.3% to -4.3%
- April: -7.8% to -8.5%
- May: -6.0% to -9.4%
- June: -2.8% to -6.3%
- July: -3.2% to -4.8%
- August: -3.0% to -4.6%
- September Ending:
  - West: -36.6%
  - Midwest: -32.4%
  - Northeast: -38.5%
  - South: -29.3%
12 Month Rolling September 2020 Ending

VODKA: -34.3%
TEQUILA: -24.8%
CORDIALS: +2%
WHISKEY - US: -33.9%
RUM: -32.7%
CANADIAN: -30.4%
IRISH: +4%
GIN: +1%
BRANDY/COGNAC: -22.3%
SCOTCH: -40.1%
COCKTAILS: -39.0%

Spirits by Class On-Premise Only
ON-PREMISE SHARE CHANGE SINCE FEBRUARY

- VODKA: -1.2%
- TEQUILA: 1.1%
- CORDIALS: 0.7%
- WHISKEY - US: -0.4%
- RUM: -0.2%
- CANADIAN: 0.3%
- IRISH: -0.2%
- GIN: -0.5%
- BRANDY/COGNAC: 0.3%
- SCOTCH: -0.2%
- COCKTAILS: 0.2%
SPIRITS BY CLASS ON-PREMISE ONLY PRE COVID

12 Month Rolling February 2020 Ending

- VODKA: 1.2%
- TEQUILA: 8.6%
- CORDIALS: 1.1%
- WHISKEY - US: 2.5%
- RUM: -0.2%
- CANADIAN: -3.7%
- IRISH: 1.6%
- GIN: 0.1%
- BRANDY/COGNAC: 1.8%
- SCOTCH: -5.1%
- COCKTAILS: 8.1%
WINE BY VARIETAL ON-PREMISE ONLY

12 Month Rolling September 2020 Ending

- SPARKLING: -34.6%
- CHARDONNAY: -38.5%
- CABERNET SAUV: -35.8%
- RED BLEND: -36.3%
- PINOT GRIGIO: -33.2%
- PINOT NOIR: -33.6%
- SAUV BLANC: -35.1%
- WHITE BLEND: -34.9%
- MERLOT: -40.3%
- SPECIALTY: 40.7%
- ROSE: +1%
- OTHER RED: -34.7%

Share

Trend

SipSource
ON-PREMISE SHARE CHANGE SINCE FEBRUARY

<table>
<thead>
<tr>
<th>Category</th>
<th>Change</th>
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<tbody>
<tr>
<td>SPARKLING</td>
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</tr>
<tr>
<td>CHARDONNAY</td>
<td>-0.5%</td>
</tr>
<tr>
<td>CABERNET SAUV</td>
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</table>
1. Wine & Spirit Categories are Resilient!
2. Regional Differences are Important
3. The Consumer Will Decide When We Re-open
Q & A

UNFORTUNATELY, WE CAN ONLY ACCEPT WRITTEN QUESTIONS SUBMITTED THROUGH THE ZOOM APP.

PLEASE FIND THE “Q&A” BUTTON AT THE BOTTOM OF YOUR SCREEN TO BRING UP A CHAT BOX AND SUBMIT YOUR QUESTION.
THANK YOU!

TO LEARN MORE ABOUT SIPSOURCE
CONTACT NICOLE ANDERSON AT NICOLE@WSWA.ORG

MEDIA INQUIRIES: SEND FOLLOW UP QUESTIONS TO
MICHAEL BILELLO AT MICHAEL@WSWA.ORG

INTERESTED IN BECOMING A WSWA MEMBER? CONTACT CATHERINE
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