FROM ONE CASE TO ONE MILLION
WHAT HAPPENS AFTER YOU GET TO MARKET?

THURSDAY, MARCH 3 @ 1:00 PM EST
Meet Our 2021 Brand Representatives!

Kat Hantas  
21 Seeds Tequila

Phillip Rawleigh  
291 Colorado Whiskey

Scott Neil  
American Freedom Distillery

Patrick Jean-Baptiste  
Craffthouse Cocktails

Bob Gunter  
Koloa Rum Company

Mimi Buttenheim  
Mad River Distillers

Subir Singh  
Mico Spirits

Alexei Khimenko  
MyStory Wine Company

Susan Lambert  
Remington Family Distillers

John Bilello  
Sweet Amber Distilling

Atlas Cheek  
Treaty Oak Distilling
Steven & Brittany Yeng, Founders Skrewball Whiskey
Merrilee Kick, 
CEO and Founder 
Buzzballz/ Southern Champion
Danny Brager, WSWA’s SipSource Analyst
6 Broad Consumer Drivers

1. Total Beverage Alcohol
   - Growing cross category drinking

2. Experience
   - Authenticity; Discovery; Entertainment

3. Flavors
   - Flavor seekers

4. Convenience
   - Shopping
   - Right pack type/size

5. Wellness - for ‘me’ & ‘we’
   - Healthier choices/ transparency
   - Sustainability/CSR

6. Trading up
   - Drinking “better”
### NielsenIQ Off Premise:
- Spirits: 6,400 brands
- Wine: 17,000 brands

<table>
<thead>
<tr>
<th>Brand Ranking</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skrewball (Spirits)</td>
<td>1,447</td>
<td>127</td>
<td>53</td>
<td>61</td>
</tr>
<tr>
<td>Buzzballz (Spirits)</td>
<td>186</td>
<td>179</td>
<td>166</td>
<td>132</td>
</tr>
<tr>
<td>BuzzBallz (Wine)</td>
<td>203</td>
<td>126</td>
<td>79</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: NielsenCGA measured off premise channels (Calendar Years - dollars);
Broad growth for most Spirit classes, led by RTD Cocktails; Flavored Whiskeys expanding

December 12 Month Rolling % Change vs. LY
Wine/Spirits **RTD’s** driving and leading growth

RTD type categories ($MM); Off Premise

Hard Seltzers: $4.6 Billion

<table>
<thead>
<tr>
<th>Dollar % Chg Thru 1/29/2022</th>
<th>52 wks</th>
<th>26 wks</th>
<th>13 wks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hard Seltzers</td>
<td>+8.1%</td>
<td>-0.4%</td>
<td>+0.6%</td>
</tr>
<tr>
<td>FMB</td>
<td>+0.8%</td>
<td>+3.2%</td>
<td>+3.8%</td>
</tr>
<tr>
<td>Wine RTD’s</td>
<td>+34.3%</td>
<td>+29.2%</td>
<td>+33.7%</td>
</tr>
<tr>
<td>Spirit RTD’S</td>
<td>+101.2%</td>
<td>+91.3%</td>
<td>+74.8%</td>
</tr>
</tbody>
</table>

Source: NielsenIQ Scan Off Premise Channels; 52 weeks ending 1/1/2022
Many start-up, small production, and craft non-RTD Spirit brands continuing to expand off premise, even in 2021

Selected (39) non-RTD Spirit start-up, small(er) product, craft brands*

9L cases

<table>
<thead>
<tr>
<th>Year</th>
<th>TOTAL SPIRITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>88,912,478</td>
</tr>
<tr>
<td>2019</td>
<td>91,151,696</td>
</tr>
<tr>
<td>2020</td>
<td>110,625,550</td>
</tr>
<tr>
<td>2021</td>
<td>109,708,452</td>
</tr>
</tbody>
</table>

*Independent owned brands + some acquired recently by large Spirit companies
Excludes brands historically owned by large Spirit companies
Brands must have sales in all 4 years

Source: NielsenIQ measured off Premise channels (Calendar periods)
Craft Spirits continues to grow

Craft Spirits - sales volume
9L cases (000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>4,930</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>5,842</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>7,160</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>9,021</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>11,189</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>12,006</td>
<td></td>
</tr>
</tbody>
</table>

Craft Spirits - sales value
$ Billions

<table>
<thead>
<tr>
<th>Year</th>
<th>Dollars</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$2.4</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>$3.0</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>$3.7</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>$4.8</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$6.1</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>$6.7</td>
<td></td>
</tr>
</tbody>
</table>

Source: Craft Spirits Data Project (ACSA, Park Street)

U.S. Craft spirits (for purposes of this data project) are distilled spirits that are produced in the U.S. by licensed producers that have not more than 750,000 proof gallons (or 394,317 9L cases) removed from bond, market themselves as craft, are not openly controlled by a large supplier,
On-Premise recovery continues

**Spirits**

- Jan 21: -47.7%
- Mar 21: -43.8%
- Jun 21: 4.8%
- Sep 21: -5.3%
- Dec 21: 7.9%

**12 Month Rolling % Change vs. LY**

**Wine**

- Jan 21: -52.9%
- Mar 21: -51.8%
- Jun 21: -21.6%
- Sep 21: -4.8%
- Dec 21: -10.0%
But while On Premise is recovering, it still needs help!

- On Premise importance/share still below pre-COVID norm
  - Wine: 25% lower
  - Spirits: 17% lower; but importance of On Premise to Cocktails 2x higher vs pre-COVID

- Open on premise accounts down -10% vs Jan 2020 (40K less accounts)

- Listings streamlined

vs 1 YAG 🔺

vs 2 YAG Pre-COVID
On Premise often either represents a different choice than Off Premise, or influences an Off Premise choice

Does your drink preference change depending on whether you’re visiting bars and/or restaurants compared to having drinks at home?

- Yes: 5%
- No: 97%
- Unsure: 8%

Do menu options and drink choice in bars/restaurants influence your alcohol purchases in stores?

- Yes: 45%
- No: 37%
- Unsure: 5%
- Don’t purchase in stores: 10%


wswa.org/access

Don’t miss your chance to download a **FREE** copy of the industry’s first Distribution Playbook!